

1/11

CITY New YorkDATE 1-3-61Request of ^{Assistant} Special Agent in Charge, FBI, New YorkOne hundred dollars, and — cents,(\$ 100 "), which money is to be paid by me on 1/5/61
Special account in name of R. A. Foster and W. H. McClosky
to NY 69454 at Emigrant Industrial Savings Bankfor information concerning the case entitled CPUSA - 15-c (100-4931)By letter dated 1-26-56 the Bureau authorized the NYO
to deposit "100" per month in the bank for the benefit of
the informant, the total to be paid to him upon termination of
his service.Signed: Alexander C. Burlinson
Special AgentAuthority (date) Bulet 1-26-56Period Covered by Payment 12/1-31/60Authorization Checked YesCheck Number 26- 1/4/61

Receipts Received _____

Voucher Prepared 1/10/61 Item 35Approved: Henry Edwin JonesSUPERVISORNorman L. De Cade Informant's File No. 134-91A-1105A SACDate of Actual Payment Deposit 1/5/61 By Whom A. BurlinsonSearched _____
Serialized DP
Indexed _____
Filed DP

1/11

CITY New YorkDATE 1-3-61Request of Special Agent in Charge, FBI, New YorkOne Thousand One Hundred Twenty Five dollars, and — cents,(\$ 1125⁰⁰), which money is to be paid by me on 1/4/61to N.Y. 684-5for information concerning the case entitled CPUSA - 15-c (100-4931)Signed: Alexander C. Burleson
Special AgentAuthority (date) N.Y. Letter 9-7-60 : Bureau approved 9/19/60
12/1-31/60 : Second - 1000⁰⁰
Period Covered by Payment 1/1-31/61 : Cash to Office 125⁰⁰

Activity

Informant continues to furnish on a daily basis information concerning CPUSA top leadership activities and CPUSA funds.

Authorization Checked Yes
Check Number 25-114/61
Receipts Received 1/4/61
Voucher Prepared 1/10/61 Item 13

Approved: George Edwin Jones
SupervisorNorman L. McCarbe as SAC Informant's File No. 134-91 A-1106Date of Actual Payment 1/4/61 By Whom G. Burleson
Searched _____
Serialized DP
Indexed _____
Filed DP

Office Memorandum • UNITED STATES GOVERNMENT

1/5

TO : SAC, New York (134-91A) (61-6989) DATE: January 4, 1961

FROM : Director, FBI (100-340711) (61-7665)

SUBJECT: NY 694-S*
CG 5824-S*

Reurlet 12-27-60.

It is noted the final financial report for the year 1960 concerning the cover company will be submitted on or about 1-15-61. When your report for 1960 is received, consideration will be given to the proposed budget for 1961.

2 - Chicago [redacted] (134-46)

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100-6989
1-15-61
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1/16

DIRECTOR, FBI (100-340711)

1/9/61

SAC, NEW YORK (134-91A)

NY 694-S

Re: NYlet, 9/7/60 and Tuluol, 12/2/60.

1. Recommendation

It is recommended that, effective 1/25/61, the Bureau authorize for a period of four months, payments to NY 694-S at the rate of \$1,000.00 per month for services rendered, and recompence to the informant of \$134.00 per month for expenses incident to the operation of the cover company office.

2. Residence and Employment

Home address - 39-70 48th St., Sunnyside, Long Island, NY

Business address - Amico Associates, 175 Fifth Ave., NYC

3. Current Membership in Subversive Organizations

- a. Member of CP National Office Finance Committee (Reserve Fund)
- b. CPUSA liaison with the Canadian CP

4. Summary of Information Furnished

During the pertinent period, the informant reported contacts with the following CPUSA functionaries: GUS HALL, IRVING FURMAN, [REDACTED] MIL LANE, JAMES JACKSON, ELIZABETH CURLEY FLYNN, VELVET MCKENNON, and MADOLE WOTTY. Other important CPUSA members contacted by the informant were [REDACTED] FRANCIS KOLKO, [REDACTED] PEGGY BREWSTER, [REDACTED] MARY KAUFMAN, [REDACTED] and [REDACTED]

[REDACTED] The informant also was in contact with [REDACTED] and ELIZABETH MASCOLO of the Canadian CP.

2-Bureau (100-340711) {41}
1-NY 134-91A / C, [REDACTED] {41}

ACB:ACB:pw
(S)

100-340711-1108

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NY 134-91A

From the above named sources, NY 694-S obtained information concerning the following: Activities of the CPUSA Finance Committee (Reserve Fund); the operations of the CPUSA National Office and of the NY State CP; funds made available to the CPUSA by Soviet sources; the agenda at CPUSA National Committee and National Executive Committee meetings; CPUSA and Canadian CP trade union activities; Chinese CP purchase of literature from a CPUSA controlled company; CPUSA activities among negroes; meetings between CPUSA officials and NIKITA KHRUSHCHEV when the latter was in NY; meetings of EUGENE and PEGGY DENNIS with [redacted]

[redacted] Soviet official, who accompanied KHRUSHCHEV on latter's visit to the USA; discussions of the Soviet-Chinese dispute at the Moscow Conference as transmitted to NY 694-S by CG 5824-S, who was in attendance at the said conference; and activities at the aforesaid Moscow conference reported to informant by ELIZABETH GUNLEY FLYNN, who was a delegate to the said conference. The informant also made available to the NYO a number of documents reflecting top level CP activity.

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5. Amounts Paid

<u>Services</u>	<u>For Period</u>	<u>A.</u>	<u>Cover Company Office</u>	<u>For Period</u>
\$1000.00	September, 1960		\$125.00	October, 1960
1000.00	October, 1960		125.00	November, 1960
1000.00	November, 1960		125.00	December, 1960
1000.00	December, 1960		125.00	January, 1961

Special Bank Account

\$100.00	September, 1960
100.00	October, 1960
100.00	November, 1960
100.00	December, 1960
Total	\$4,900.00

NY 134-91A

B.

For trip to Chicago

<u>Period</u>	<u>Amount</u>
11/6/60-11/8/60	\$162.05

Note: Expenses incident to the operation of the cover company are not listed herein inasmuch as a separate report reflecting such expenses is submitted to the Bureau periodically.

6. Meetings Attended and Other Activity

CPUSA Finance Committee (Reserve Fund) 3 (informal)

7. Reports Submitted

For security reasons, as previously explained to the Bureau, NY 694-S does not furnish written reports or oral reports reduced to writing and signed by the informant. The reports of NY 694-S, which approximate 115 for the pertinent period, are disseminated to the Bureau, other field offices, and pertinent NYO files as the nature thereof requires, that is, by teletype, airtel, letter, or memorandum.

8. Information Furnished of Unusual Value

The informant reported on funds furnished to the CPUSA by Soviet sources.

The informant furnished reports of meetings between CPUSA functionaries and NIKITA KHRUSHCHEV while the latter was in NYC.

9. Approximate Number of Persons Concerning Whom
Informant Reported and Their Importance

In his role of secret member of the CP, acting as a member of the CP Finance Committee, and liaison with the

NY 134-91A

Canadian CP, NY 694-S reported principally concerning the operations of top-level CPUSA leaders, and concerning CP policy as revealed to him by said leaders. He also reported contact with a Canadian CP functionary, and a Canadian CP courier. In the current pertinent period he has reported contact with 18 such individuals.

10. Informant's Potential for Advancement

From the standpoint of obtaining valuable information concerning CP policy and top-level operations, the informant's position is ideal. For him to seek any other CP post would militate against his obtaining the important and varied information he now secures. His objective is to extend his field of operation in the position he now holds in the CP.

11. Stability and Reliability

No personal weaknesses, indications of instability, untrustworthiness, unreliability, or of similar problems, were noted during the pertinent period. Much of the information furnished by the informant has been verified.

12. Indoctrination Against Disclosure

Every opportunity has been taken to properly indoctrinate the informant against making any disclosure of his relationship with the Bureau.

13. Action Taken on Information Furnished

All necessary action has been taken, and the information has been properly channelized.

14. Miscellaneous

Information obtained from NY 694-S has been furnished to the Bureau under appropriate captions.

There is currently on deposit in a special account at the Emigrant Industrial Savings Bank the sum of \$6521.90, of which \$521.90 is accrued interest.

NY 134-91A

The informant's cover company office continues to be essential to his maintaining contact with CP functionaries and to the cover operation itself.

1/12

UNITED STATES GOVERNMENT

Memorandum

TO : SAC *New York (134-91A)*

FROM : SA *Alexander C. Burlinson*

SUBJECT: *NY 684-5*

DATE: *1-11-61*

CI SI

PCI PSI

Dates of Contact <i>1-11-61</i>	
Titles and File #'s on which contacted	
100-143718	100-143351
100-143691	100-127320
100-143598	97-1893
100-143565	100-86094
105-45206	100-143475
100-142707	100-138948
Purpose and results of contact	
<input checked="" type="checkbox"/> Negative 100-62778	100-143417
<input type="checkbox"/> Positive 100-143688	100-83828
105-45540	100-143507
100-141296	100-143425
100-143763	100-142872
100-143580	100-143386
100-143526	100-143539
100-143525	100-143389
100-143545	100-64286
100-143420	105-45124
100-143541	100-39593
100-143346	
105-45645	
105-44717	
<input checked="" type="checkbox"/> Security Informant certified that he had furnished all information obtained by him since last contact.	
Personal Data	Rating <i>Gullible</i>
	Coverage <i>134-91A-1109</i>

1 - _____

Chief Clerk

1 - _____

Post *WMA*

1/12

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FBI — NEW YORK	

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UNITED STATES GOVERNMENT

Memorandum

TO : SAC *New York (134-91A)*

FROM : SA *A. G. Burleson*

SUBJECT: *NY 694-5*

DATE: *1-17-61*

CI SI

PCI PSI

Dates of Contact	<i>1-16-61</i>
Titles and File #s on which contacted	
<i>100-47851</i>	
<i>100-46143</i>	
<i>100-143424</i>	
<i>100-143490</i>	
<i>100-57639</i>	
<i>100-17923</i>	
Purpose and results of contact	
<input checked="" type="checkbox"/> Negative	<i>100-102869</i>
<input type="checkbox"/> Positive	<i>100-43363</i>
	<i>100-66271</i>
	<i>100-143609</i>
	<i>100-143413</i>
	<i>100-143517</i>
	<i>100-45651</i>
	<i>100-143706</i>
	<i>100-45549</i>
	<i>100-93542</i>
	<i>100-113699</i>
	<i>39-155</i>
<input checked="" type="checkbox"/> Security Informant certified that he had furnished all information obtained by him since last contact.	
Personal Data	Rating <i>Excellent</i>
	Coverage <i>CPUSA</i>

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SEARCHED	INDEXED
SERIALIZED <i>71</i>	FILED <i>11</i>
JAN 10 1961	
FBI — NEW YORK	

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13-6-9-1110

NY 134-JLA

NY 624-S continues to spend approximately two hours per day on cover company business without affecting adversely his activities in behalf of the Bureau.

11/9
DIRECTOR, FBI (100-340711)

1/17/61

SAC, NEW YORK (134-91A)

NY 694-8*
CG 5884-8*

The financial statements for the cover company for the year 1960 are submitted. The financial statements include a Profit and Loss Statement, a Balance Sheet as of December 31, 1960, a Cash Statement as well as details of the expenses incurred during the fourth quarter of 1960. The cash statement includes an accounting for cash for the year 1960 as well as the fourth quarter of 1960.

The Profit and Loss Statement reflects a gross profit of \$1,002.79, expenses of \$7,319.09 and a net loss for 1960 of \$6,316.30. The merchandise inventory is computed at cost price. Loans Payable of \$5,000.00 represent the money advanced by the Bureau to the cover company for the year 1960.

The next report will be submitted on or about April 15, 1961.

NY 694-8* continues to spend approximately two hours per day on cover company business without hindering his activities on behalf of the Bureau.

3-Bureau (100-340711) (RM)
(1-61-7665) [redacted]

2-Chicago [redacted] (RM)
(1-134-46)

①-NY 66-5989 (ADM) (41)
①-NY 134-91A (ADM) (41)

ACB/PJS:amc
(6) *[Signature]*

(I-WTM)

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100-340711-2
100-340711-3
100-340711-4

100-340711-1
100-340711-2
100-340711-3
100-340711-4

NY 134-91A

Profit and Loss Statement
for Period 1/1/60 to 12/31/60

Sales	\$ 2,429.97
Less: Returns	112.60
Net Sales	<u>\$ 2,317.37</u>
Cost of Goods Sold:	
Inventory, 1/1/60	\$ 772.88
Purchases	925.80
Goods Available for Sale	<u>\$1,700.68</u>
Less: Inventory, 12/31/60	454.10
Cost of Goods Sold	<u>\$1,314.58</u>
Gross Profit	<u>\$1,002.79</u>
Less: Expenses	
Depreciation Expense	\$ 42.33
Office Supplies	30.03
Freight & Postage - Sales	168.16
Freight & Postage - Purchases	45.21
Advertising	3,455.20
Sales Promotion	311.26
Salaries - Chicago	1,625.00
Rent - Chicago	1,007.26
Phones - Chicago	407.79
Accounting fees	200.00
State Taxes - Illinois	6.83
Total Expenses	<u>7,319.00</u>
Net Loss - 1960	<u>\$6,316.30</u>

Balance Sheet
as of December 31, 1960

ASSETS

Cash	\$ 48.99
Merchandise Inventory	454.10
Furniture & Fixtures - Depreciated	300.98
Accounts Receivable	14.90
Total Assets	<u>\$ 893.97</u>

NY 134-91A

LIABILITIES

Loans Payable \$5,000.00

CAPITAL

Capital 1/1/60
Less: Loss - 1960 \$2,215.27
Deficit - 1960 6,316.30
Total Liabilities & Capital 11,101.03
598.07

Cash Account

For the Year 1960:	For the 4th quarter:
January 1, 1960 -	October 1, 1960 -
December 31, 1960	December 31, 1960

Cash Balance - Beginning	\$1,019.06	\$1,337.40
Accounts Receivable Paid		357.85
Sales	2,429.97	520.23
Less: Sales Returns	112.60	74.75
Accounts Receivable	14.90	
Loans Payable	5,000.00	445.46
Total Available Cash	\$6,321.55	\$2,140.35

Less: Disbursements:		
Office Supplies	\$ 30.03	16.28
Freight & Postage -		
Sales	188.16	48.94
Purchases	995.00	374.28
Freight & Postage -		
Purchases	45.21	31.10
Advertising	3,455.20	610.00
S Ice Protection	311.25	87.17
Salaries - Chicago	1,625.00	375.00
Rent - Chicago	1,007.25	249.33
Phones - Chicago	407.75	101.72
Accounting Fees	200.00	200.00
State Taxes - Illinois	6.75	1.32
Total Disbursed	\$1,872.16	\$1,001.34
Cash Balance 12/31/60	<u>\$4,449.39</u>	<u>\$1,138.71</u>

NY 134-91A

Detail of Expenses

Office Supplies

Stationery - Chicago 10/31	\$ 7.03
Stationery - Chicago 11/30	1.15
Stationery - Chicago 12/30	1.00
	<u>15.18</u>

Freight & Postage - Sales

Parcel Post	\$ 4.00
Postage 10/1 to 10/30	6.24
Postage 11/1 to 12/31	16.10
Freight & Express Charges	15.20
Express Charges	2.00
	<u>64.34</u>

Freight & Postage - Purchases

Parcel Post 11/1 to 12/31	<u>31.10</u>
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Advertising

American Artist, September Issue	\$200.00
American Artist, October Issue (Christmas Buyers Guide)	210.00
American Artist, November Issue	200.00
	<u>610.00</u>

Sales Promotion

Oct. 26 Mailings - American Artist Knee Guide list of schools - Posting & Insertions	\$ 52.00
Nov. 30 Mailings - Catholic Monthly Knee greeting for Projects-Stand #203	14.40
Postage & Insertions	1.90
Dec. 15 Mailings from office plus Sales Letter of 10/23	3.75
Dec. 17 Rubber stamp: return name & address for royalties	15.00
Dec. 18 Placard distribution - university stores	
300 mailings - Klippinger College List	<u>67.17</u>

NY 134-91A

Salaries - Chicago

[Redacted]	10/3/60	\$125.00
	11/1/60	125.00
	12/1/60	125.00
		<u>\$375.00</u>

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Rent - Chicago

October	\$ 63.11
November	63.11
December	63.11
	<u>\$189.33</u>

Phones - Chicago

Answering Phone Service 10/2	\$ 10.00
Telephone bill 10/20	25.90
Answering Phone Service 11/1	10.00
Telephone bill 11/11	23.22
Answering Phone Service 12/1 (Increased rate for service rendered)	12.25
Telephone bill 12/13	19.55
	<u>\$101.72</u>

Accounting Fee

For the year, 1960	<u>\$200.00</u>
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11/3

UNITED STATES GOVERNMENT

Memorandum

TO : SAC *New York (134-91A)*

FROM : SA *A. G. Burlin*

SUBJECT: *NY 694-5*

DATE: *1-19-61*

CI SI

PCI PSI

Dates of Contact	<i>1-17-61</i>
Titles and File #'s on which contacted	
<i>100-22129</i>	
<i>100-143748</i>	
<i>100-143522</i>	
<i>100-183516</i>	
<i>100-16983</i>	
<i>100-116966</i>	
Purpose and results of contact	<i>100-45010</i>
<input checked="" type="checkbox"/> Negative	
<input type="checkbox"/> Positive	
<i>100-143818</i>	
<i>100-143747</i>	
<i>100-143729</i>	
<i>100-120636</i>	

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Security Informant certified that he had furnished all information obtained by him since last contact.

Personal Data	Rating <i>Excellent</i>
	Coverage <i>CPN 54</i>

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JAN 19 1961

FBI — NEW YORK

W.M.

13-1 - 1112

DIRECTOR, FBI (100-415964)

2/2/61

SAC, NEW YORK [REDACTED] (ADM)

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[REDACTED]

ReNYlet to Bureau, 1/5/61, and Bulet to Chicago,
1/27/61, captioned "SOLO, IS - C."

On 1/30/61, a conference was held at a discreet
location in New York City attended by Supervisor [REDACTED]
[REDACTED] SA [REDACTED] SA ALEXANDER C. BURLINSON,
and NY 694-S*.

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The immediate purpose of the conference was to
discuss utilization of [REDACTED] as the third person in
clandestine meetings between VLADIMIR BARKOVSKY and CG 5824-S*
or NY 694-S* in New York City.

Prior to this conference, preliminary favorable
inquiries had been made by SA BURLINSON with NY 694-S*
concerning NY 694-S*' indirect but positive help in activating
[REDACTED] into the Communist Party (CP) itself and, more
particularly, guiding [REDACTED] into NY 694-S*' sphere of
"financial" operations within the CP.

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[REDACTED] on the other hand, had been cautioned
by SA [REDACTED] to be on the alert for contact by a member of
the CP, which contact would not necessarily be by his usual
contact, [REDACTED]. It was borne in mind that [REDACTED]
had been twice, currently, included by the CP on lists of
persons to be contacted for contributions to the CP.

At the beginning of the conference, it was pointed
out to NY 694-S* that his direct aid in this matter was being

P.

3 - Bureau (100-415964) (RM)
(1-100-340711)
1 - Chicago (134-46) (RM)
1 - NY 134-91 (ADM) (41)
1 - [REDACTED] (ADM) (41)

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FBI - NEW YORK	

Burlinson *ACB*

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[redacted] (ADM)

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sought and any suggestions he had were most welcome. NY 694-S* appeared quite pleased that his help was being sought in such direct fashion and appeared most anxious and willing to participate.

It soon became apparent to NY 694-S*, as it had previously to the Special Agent conferees, that [redacted] activation had dual potentiality. That is, successful development, in addition to providing one more highly placed security informant, would also provide an individual capable of ultimately replacing NY 694-S* in certain of his functions when and if necessary.

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That is to say, for example, [redacted] is particularly well-fitted for assumption of courier duties and utilization as the "third person" referred to in reBulet to Chicago of 1/27/61. His mode of employment and personal life in general would provide excellent, built-in cover for such operation. In addition, being well versed in investment matters, market analysis, and financial-economic matters, and having provided counsel to the CP in these areas before, [redacted] can, with relative ease, be placed in contact with appropriate members of the CPUSA hierarchy by NY 694-S*.

As the conference progressed, it became apparent that [redacted] did, in fact, possess those qualities necessary in an individual who could ultimately act as a replacement for certain of NY 694-S*' functions: [redacted] was a ready, willing, able, mature individual with a long history of CP affiliation. He had attended CP meetings and was known to and respected by certain of the CP hierarchy. He had contributed money to the CP, but more important, according to NY 694-S*, he had been the investment counselor relied upon by the CP, and utilized by the CP through [redacted] to wisely and profitably invest funds held by the CP.

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[redacted] (ADM)

Especially important, and NY 694-S* wholeheartedly agreed, was the fact that [redacted] when properly developed and "tested" and when and if approved as such by the Bureau, would be acceptable to NY 694-S* as his replacement in certain areas, for example, as a courier and as the "third person" referred to above.

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The ultimate objective then was development of [redacted] in such a fashion that [redacted] could, if and when necessary, replace as many of NY 694-S*' functions as became logical and possible.

The immediate objective was utilization of [redacted] as the third person in the clandestine meetings in New York City referred to above.

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It was noted by the conferees that [redacted] identity as an informant would be known to NY 694-S*, but NY 694-S*' identity as such would not be known to [redacted].

The following four steps, submitted herewith for Bureau approval, were considered by the conferees, including NY 694-S*, as the best possible long-range approach to secure implementation of [redacted]

I. NY 694-S* would cause [redacted] to casually contact [redacted] place of employment for the announced purpose of seeking [redacted] professional help.

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[redacted] (Bufile 100-405677), a Security Index subject in the NYO, is a member of the "Wall Street Group.")

While in contact with [redacted] who is known to [redacted] would appropriately arrange a meeting between

[REDACTED] (ADM)

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NY 694-S* and [REDACTED]

Such an approach would be above suspicion because:

A. According to NY 694-S*, the CPUSA hierarchy normally feels that [REDACTED] is a "regular" contact of the CP because [REDACTED] is reported as such by [REDACTED] even though [REDACTED] keeps [REDACTED] "in his pocket" and as inaccessible as possible to individuals other than himself.

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B. [REDACTED] is already listed as a potential "Wall Street" contributor to the CP.

II. NY 694-S* and [REDACTED] would meet at an agreeable, discreet place and would discuss:

A. Why the CP and NY 694-S* had not sought earlier contact with [REDACTED]. Because: NY 694-S* had been away; the Party was underground; the Party had been protecting [REDACTED] by keeping away; [REDACTED] had pressing problems, for example, a chronically ill wife.

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B. An annual commitment (contribution pledge) would be obtained from [REDACTED]

NY 694-S* advised that although [REDACTED] would be asked to make his annual pledge \$1,000.00, in fact a lesser sum, about \$500.00, would actually be accepted; the \$500.00 to be accepted in smaller amounts over a year's time.

When the request for contribution is actually made, Bureau approval will be requested for payment of the amounts involved.

[redacted] (ADM)

C. Arrange for obtaining long-range economic-financial information from [redacted] on a regular basis and in conjunction therewith arrange for [redacted] transmission of that information to an appropriate individual in the CP; for example, arrange a meeting between [redacted] and GUS HALL.

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III. Continual periodic contact to be had by [redacted] NY 694-S* and others in the CP hierarchy, with [redacted] as go-between to arrange the details of contacts, meetings, and so forth. [redacted] would be utilized by NY 694-S* in the contacting capacity because he is employed "on the Street" and could more logically "cover" such contacts.

This continual contact would, of course, be valuable in and of itself inasmuch as the informant's contacts within the CP would necessarily broaden and grow, and with the added feature that the contacts and growth could be limited, controlled, and directed by NY 694-S*.

IV. When and if necessary, [redacted] could replace NY 694-S* in as many of his domestic and foreign operations as logic and possibility would permit at that time.

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On 1/31/61, NY 694-S* advised that on the previous day, subsequent to the conference, he had been in contact with GUS HALL. HALL advised NY 694-S* that he would very much like to meet with and talk to [redacted]. HALL left specific planning of such a contact up to NY 694-S*.

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If and when the above four-step plan of development of [redacted] is approved, the NYO will begin effecting the long-range plan outlined above and will closely guide and supervise the activity of both NY 694-S* and [redacted] to insure attainment of the desired goals.

[redacted] (ADM)

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The NYO wishes to advise the Bureau that on 2/1/61, NY 694-S* advised that in view of the complex nature of the planned utilization of [redacted] including the involvement of [redacted] NY 694-S* feels that he is in the best position to advise CG 5824-S*. He requested therefore that the above planning, including its immediate and ultimate objectives, not be made known to CG 5824-S* at this time. The NYO requests that Chicago not notify CG 5824-S* until further advised.

UNITED STATES GOVERNMENT

Memorandum

8/3

CWMA

TO : SAC, New York (134-91A) DATE: January 30, 1961

FROM : ✓ Director, FBI (100-340711)
(61-7665)

SUBJECT: NY 694-S
CG 5824-S

Reurlets 12-27-60 and 1-17-61.

Approval granted to continue present cover business of informants and to pay necessary expenses in connection therewith as estimated in relet of 12-27-60. Authorization is effective immediately and continues until 12-31-61. Keep Bureau advised of all steps taken in connection with this operation by the submission of progress letters on a quarterly basis. [redacted]

As indicated in previous communications, informants [redacted] b6 should be advised the Bureau is not interested primarily in the b7C success of this cover as a business venture, but it should be given as much attention as is consistent with Bureau work.

NY 694-S has indicated in the past that he felt within a short time the business would be self-supporting, but he cannot determine when this will be. You should again point out to NY 694-S that even though he may feel the venture will pay off, he should understand that if there is any profit, the Bureau expects to be repaid first from such profits for the advances which have been made to set up the operation.

You should continue to advise in each quarterly progress letter the amount of time being spent by each informant in the conduct of the cover business. The observations of each office should be set forth as to whether the time being spent is necessary and if the activity of the informants in the cover business is interfering in any way with their Bureau work.

2 - Chicago [redacted] (134-46)

b7D

134-91A-115

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
FBI - NEW YORK	

OBurlinson JTB

CITY New York, N. Y.DATE January 31, 1961Assistant
Request of Special Agent in Charge, FBI, New YorkEleven hundred twenty five dollars, and no cents,(\$ 1125.00), which money is to be paid by me on 2/1/61to NY 691-S*for information concerning the case entitled Communist Party, USA; IS - C (100-1931)

Services: \$1,000
 Cover Company office 125
\$ 1,125

Signed:


b6
b7c

Authority (date) NY let 9/7/60; Bureau approved 9/14/60
~~+ NY let 1/9/61, Buapp 1/13/61~~

Services: 1/1-31/61Period Covered by Payment Cover Company office 2/1-28/61

ACTIVITY:

Informant continues to furnish information on a daily basis concerning CPUSA top leadership, activity, and CPUSA funds.

Authorization Checked YesCheck Number 287- 2/2/61Receipts Received 2/2/61Voucher Prepared 2/8/61 Item 38b6
b7c

Approved:

Informant's File No. 134-91 Adm A-1116Date of Actual Payment 2/2/61 By Whom A.C. Burleson

Searched _____
 Serialized CP
 Indexed _____
 Filed CP

DIRECTOR, FBI (100-42-091)

2/7/61

NYC, NEW YORK (100-42-091)

SOLO
IS-C

Rebulet to Chicago, copy to NY, 1/27/61, instructing both offices to submit recommendations as to the feasibility of using an informant such as [REDACTED] as a third person for clandestine meetings with VLADIMIR BARKOVSKY.

b7D

Rebulet also instructed NY to submit recommendation re to the feasibility of moving the office of NY G-4-S to another location in NYC.

By letter to Bureau, 2/2/61, under the caption, [REDACTED] copy to Chicago, the NYO advised that in its opinion NY 3152-S, effec. successful development, could be particularly well suited to being "the third person" in contacts with BARKOVSKY. NY 694-S, at the NY letter of 2/2/61, reflects, is of the opinion that [REDACTED] under the informant's guidance, could be trained to replace, if necessary, NY 694-S in some of the latter's operations.

b7D

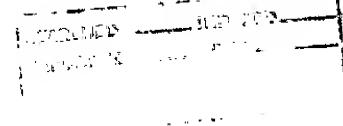
With regard to the feasibility of moving NY G-4-S' office, the Bureau's attention is directed to NY letter 1/26/61, captioned, "SOLO;IS-D." Said letter reflects that at a scheduled meeting with BARKOVSKY on 2/5/61, NY G-4-S would submit to the latter suggestions regarding a change in location of the informant's office.

By airtel dated 2/6/61, under the "SOLO" caption, the Bureau and Chicago were advised regarding the meeting on 2/3/61, between NY G-4-S and BARKOVSKY. The said airtel reflects that BARKOVSKY did not approve NY G-4-S' suggestions regarding a change in the location of the informant's office, and insisted that the new location be in the area of Lower Broadway, near the Battery.

2-Let 44 (100-42-091) (41)
1-Chicago (100-42-Sub D) {SOLO} (41)
1-NY [REDACTED] {ADM.} (41)
1-NY 100-42-091 {ADM.} (41)

b7D

ACW:mt
(4)



AM

NY 100-124657

Through a contact at the NYO, arrangements can be made for the informant to rent a two-room office suite at 10 Broad St., which is in the brick building by BANKOVSKY, and which would cost approximately that the informant's present office costs. NY Q-4-S will investigate this proposed location within the next few days and if he considers it suitable, he will suggest it to BANKOVSKY at their next meeting, which is scheduled for 2/12/61.

The Bureau and Chicago will be advised of further developments in this matter.

It should be noted that BANKOVSKY, on 2/3/61, insisted that NY Q-4-S move to "new location" by 2/1/61.

DIRECTOR, FBI (100-415964)

2/15/61

SAC, NEW YORK

b7D

1

ReDulet 2/14/61.

On 2/15/61, NY 694-S* advised that on 2/14/61, in a contact with IEM HARRIS, he instructed the latter to arrange that [REDACTED] be advised that during the second week of March, 1961, [REDACTED] would be contacted by "a responsible Party person." [REDACTED] is not to be told now that he will be requested to make a donation to the CP, nor is he to be told that the "responsible Party person" is NY 694-S*.

HARRIS stated that the instructions of NY 694-S* were "timely" in that this is the time of year when ROBERT DUNN, VICTOR PERLO, [REDACTED] hold one of their periodic meetings to discuss economic matters. HARRIS indicated that this group meets several times a year for this purpose.

b7D

15

b7D

HARRIS further stated that he would ask ROBERT DUNN to advise [redacted] regarding the proposed meeting with "a responsible Party person" but that it was possible that DUNN might consider it more appropriate that PERLO contact [redacted] in this regard.

NY 694-S* advised that after he meets [redacted] he will arrange that, within a short time later, NY 694-S* and GUS HALL have a meeting in a hotel suite where [redacted] may brief GUS HALL regarding economic matters of interest to the CPUSA.

123D

The Bureau will be advised of further developments in this matter.

2 - BUREAU (100-415964) (RM)
1 - NEW YORK 154-91A (#41)
1 - NEW YORK [redacted] (#41)

b7D

ACE:DJG
(4)



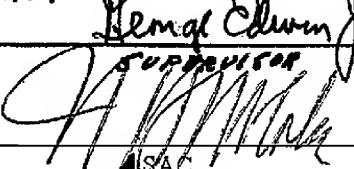
CITY New YorkDATE 2-1-61Request of Special Agent in Charge, FBI, New YorkTwo Thousand Five Hundred dollars, and — cents,(\$ 2500⁰⁰), which money is to be paid by me on 2/2/61to N.Y. 694-5for information concerning the case entitled CPK 56 - 15-C

N.Y. 694-5 has requested \$500 for payment of cash company
expenses, including running expenses of Chicago branch, and
cost of advertisements.

Signed: Alexander C. Burkinshaw
Special Agent

Authority (date) Bullet 1-30-61Period Covered by Payment 2/2/61 - 2/21/61

Bullet 1-30-61 authorizes
expenditure of \$411 22 as
budget of cash company for
Year 1961. No previous
payments under 1-30-61
authorizations.

Authorization Checked YesCheck Number 289 - 2/2/61Receipts Received 2/2/61Voucher Prepared 2/16/61 Item 12Approved: Henry Edwin Jones


Supervisor
ASAC

Informant's File No. 134-91 A-1119Date of Actual Payment 2/2/61 By Whom Alexander C. Burkinshaw

Searched
Serialized
Indexed
Filed

SAC

ASAC 1

2

F B I

Date: 2-10-61

Transmit the following in _____
(Type in plain text or code)Via Airtel
(Priority or Method of Mailing)

To: SAC, New York (134-91)
 From: Director, FBI (100-340711)
 NY 694-S

Reurairtels 2-8&9-61 entitled SOLO, IS-C.

Authority is granted to obtain new space for the cover office used by informant and pay necessary rental and cost of telephone service at the rate of \$157 per month effective 3-1-61. In order to allay any suspicions on the part of informant's Soviet contact, move should be made on or about 4-1-61 and rental may be paid on present location at the rate of \$134 per month till that time. Since terms of new rental require payment two months rent in advance, authority granted to advance \$250 to informant for this purpose and authority also granted to reimburse him for necessary expenses incidental to moving to the new location.

1 - New York (SOLO - 100-134637)

JAN 13 4-91 11120

Burrus
adg.

Sent Via _____ M Per _____

2/19/61

F B I

Date: 2/19/61

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via TELETYPE URGENT
(Priority or Method of Mailing)

TO: DIRECTOR, FBI AND SAC MIAMI
FROM: SAC, NEW YORK (134-91A)
NEW YORK SIX NINE FOUR DASH S ASTERISK. BUFILE ONE HUNDRED
DASH THREE FOUR ZERO SEVEN ONE ONE. RE MY TEL FEBRUARY
LAST
SEVENTEEN NINETEEN SIXTY ONE. INFORMANT HAS CANCELLED
SCHEDULED TRIP TO MIAMI.

1-New York (134-91A)
1-Supervisor #41

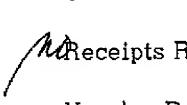
ACB:rtd
(2)

Burkman ACB

Approved: *JFM* Sent 50 M Per 50

Read to ██████████ in Charge
43P 2/19/61

b6
b7c

CITY New York, N. Y.DATE January 31, 1961Assistant
Request of Special Agent in Charge, FBI, New YorkOne hundred dollars, and no cents,(\$ 100.00), which money is to be paid by me on 2/2/61to NY 694-S* (Special account in the names of H. G. Foster and N. H. McCabe
(at Emigrant Industrial Savings Bank)for information concerning the case entitled Communist Party, USA; IS - C (100-4931)By letter dated 1/26/56 the Bureau authorized the NYO to deposit \$100 per month in the bank for the benefit of the informant, the total to be paid to him upon the termination of his services.Signed *Alexander L. Barlinson*
Special Agentb6
b7cAuthority (date) Bulet 1/26/56Period Covered by Payment 1/1-31/61Authorization Checked YesCheck Number 288-0 2/2/61Receipts Received Voucher Prepared 2/27/61 Item 9Approved: *J. J. M. M.*
SUPERVISOR
ASACb6
b7cInformant's File No. 134-91 Adm 8/1/22Date of Actual Payment 2/9/61By Whom Alexander L. Barlinson*A. L. Barlinson*

2/23/61

AIRTEL

TO: DIRECTOR, FBI (100-428091)
FROM: SAC, NEW YORK (100-134637)
SUBJECT: SOLO
IS-C

ReBairtel, 2/21/61, copy to Chicago, suggesting that consideration be given to use one of our informants as a courier to transfer \$7000 of SOLO funds to the Communist Party of Puerto Rico.

Pursuant to Bureau instructions this matter was discussed on 2/23/61, with NY 694-S by the contacting Agent. With regard to [redacted] NY 694-S stated that it is inconsistent with security, premature, and futile to consider using [redacted] to the CP of Puerto Rico.

b7D

Having had no contact in years with [redacted] NY 694-S does not exclude the possibility that [redacted] might be a triple agent, and that upon contact with the latter, NY 694-S might be told that [redacted] has been in recent contact with Bureau Agents, who tried to develop him as an informant.

Although NY 694-S has agreed to contact [redacted] during the second week of March as the first and basic step in the activation of [redacted] as authorized by the Bureau, he will not be in a position until that time to form an opinion with respect to whether or not he should continue to contact [redacted].

b7D

According to NY 694-S, in view of [redacted] position as a wealthy investment broker - a partner in his firm - it is highly unlikely that he could afford to leave

3-Bureau (100-428091) (RM)
1-Chicago (134-46-Sub B) (RM)
1-NY 134-91A (NY 694-S) (ADM.) (41)
1-NY [redacted] (ADM.) (41)
1-NY 100-134637 (41)

134-91A-1123

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
FEB 23 1961	
FBI - NEW YORK	
J. E. [Signature]	

b7D

ACB:uno 1-Supervisor #41
(3)

NY 100-134637

his office to act as a courier for the transmittal of \$7000 to the Puerto Rican CP. The CP would suspect his motives if he should accept such an assignment.

NY 694-S also feels certain that HALL will not permit \$7000 to be given to the Puerto Rican CP at one time inasmuch as HALL has indicated that the Puerto Rican CP would dissipate such a "wind-fall" in a very short time. NY 694-S believes that the money will be given to the Puerto Rican CP over a long period in comparatively small amounts.

NY 694-S stated that he is opposed to the use of [redacted] as a courier for the transmittal of the \$7000 to the Puerto Rican CP, and is positive that CG 5824-S would also be of the same opinion. He requests that the Chicago Office not mention to CG 5824-S the proposal to use [redacted] as a courier to the Puerto Rican CP.

b7D

The NYO is in agreement with NY 694-S' analysis of the advisability of using [redacted] in this matter.

ReNYairtel to Bureau, copy to Chicago, dated 2/20/61. It is requested that Chicago advise the Bureau and the NYO concerning how CG 5824-S plans to transmit to the Puerto Rico CP the \$7000 aforementioned.

H38

F B I

Date: 2/27/61

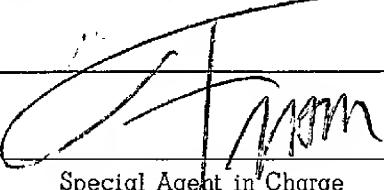
Transmit the following in ENCODE
(Type in plain text or code)Via TELETYPE URGENT
(Priority or Method of Mailing)TO: DIRECTOR, FBI (100-340711)
SAC, MIAMI

FROM: SAC, NEW YORK (134-91A)

NY SIX NINE FOUR DASH S. ON ADVICE OF PHYSICIAN INFORMANT WILL SPEND APPROXIMATELY WEEK IN MIAMI AREA. WILL LEAVE NYC ON FEBRUARY TWENTY EIGHTH, NINETEEN SIXTY ONE, VIA NATIONAL AIRLINES FLIGHT NUMBER FIVE AND ARRIVE MIAMI FOUR TEN P.M. SAME DATE. WILL TELEPHONICALLY CONTACT SAC MIAMI, INTRODUCING HIMSELF AS QUOTE J. C. UNQUOTE FROM NEW YORK, AND ADVISING WHERE HE MAY BE CONTACTED PAREN. UNDER NAME JACK CHILDS PAREN. IF NECESSARY. SUGGEST SAC MIAMI MAY DESIRE TO FURNISH INFORMANT NAME OF AGENT WHOM NY SIX NINE FOUR DASH S MAY CONTACT IF NECESSARY. FOR INFORMATION MIAMI, NY SIX NINE FOUR DASH S IS A TOP SECURITY INFORMANT.

1-SUPERVISOR #41
1-134-91A(DN)

134-91A-1124

ACB:ume
(2)Approved: 
Special Agent in ChargeSent 447 P M Per 447 P
456 P

waw

UNITED STATES GOVERNMENT

Memorandum

2/27

TO : SAC New York (134-91A)(41) DATE: 2/27/61
FROM : SA A. E. Burkini CI SI
SUBJECT: 92-2694-5 PCI PSI

Dates of Contact	2-23-61	105-46178
Titles and File #s on which contacted		
		105-46285
	100-139781	100-143825
	100-144088	100-118421
	100-144080	
	100-143545	100-193860
	100-97290	100-97857
Purpose and results of contact		
<input checked="" type="checkbox"/> Negative	100-143912	100-41153
<input type="checkbox"/> Positive	100-143846	100-86274
	100-143854	100-143831
	100-46287	100-65566
	100-114268	100-64103
	100-46177	
	100-128507	
	100-84548	
	100-46283	
	100-102160	
	100-29410	
	100-143816	
<input checked="" type="checkbox"/> Security Informant certified that he had furnished all information obtained by him since last contact.		
Personal Data	Rating Excellent	
	Coverage CPNSA	

1 - _____
1 - _____

Chief Clerk
Post 144-91A-1125

2/27

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 27 1961	
FBI - NEW YORK	
144-91A-1125	

b3 b7C

SAC

REC'D

1/20/61

AMM

4

SAC, Chicago [redacted]
(134-46)

January 20, 1961

b7D

Director, FBI (100-340711)
(61-7665)

CG 5824-S
NY 694-S

ReGlet 1-17-61 recommending authority be granted
to increase payments to CG 5824-S to \$1100 per month for
services rendered and normal expenses incurred.

Since CG 5824-S and NY 694-S are equally as [redacted]
important in our coverage of both national and international
communism and are both providing invaluable information as a [redacted]
result of their efforts, authority is granted to increase
payments to each informant from \$1000 per month to \$1100 per
month for services rendered and normal expenses incurred for
a period of four months effective 2-1-61. This increase in
compensation should be added incentive for both informants
to continue to expend their best efforts on behalf of the
Bureau and to achieve even greater accomplishments.

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2 - New York (60-6969) (134-91A)

134-91-A-1/26
1/18/61 Burlinson
W.M. [initials]

134-91-A-1/26

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
FBI - NEW YORK	

J. Burlinson/PL

DIRECTOR, FBI (100-415964)

3/7/61

SAC, NEW YORK [REDACTED] (ADM)

[REDACTED]

b7D

ReNYlet to Bureau, 2/7/61.

Regular contact is being maintained with [REDACTED]

BACKGROUND

[REDACTED] continues to occupy a great deal of his time. [REDACTED]

Informant's daily schedule of activities is an extremely busy one. [REDACTED]

b7D

[REDACTED] However, despite his heavy personal and business schedule, the informant remains ready and willing for contact and patiently awaits the next move in his development.

DEVELOPMENT, PROGRESS AND CONTACTS

During contact on 2/22/61, [REDACTED] advised that he and [REDACTED] had been in casual telephonic contact the week previous. Informant advised that he continues to maintain friendly relations with [REDACTED]

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Informant has advised that efforts on his part to draw [REDACTED] into valuable conversation concerning the Communist Party have been unsuccessful. Informant pointed out that he

P.

2 - Bureau (100-415964) (RM)
1 - NY 134-91 (ADM) (41)
1 - [REDACTED] (ADM) (413)

RJQ:msb
(4)

100-31A-1137

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 8 1961	
FBI — NEW YORK	

b7D

[redacted] (ADM)

must "go slow" in that area in order not to arouse [redacted] suspicions. It is borne in mind that [redacted] has cautiously neglected that area of conversation and familiarity during his contacts with [redacted] in recent months.

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The informant is being kept alert for the expected contact by "some" (unnamed and unknown) individual in the Communist Party. He has advised that he will immediately advise his contacting agent when such contact is made, at which time plans can be made for future action dependent on that contact.

The informant was reluctant to suggest who from the Communist Party, other than [redacted] he might suspect as a logical person to contact him. He was reluctant, so he advised, to possibly "involve" someone by pointing that individual out as a Communist Party contact, when, in fact, he had no personal knowledge of information which would connect that individual with the Communist Party. He stated that over the years, he has met with "a couple" of economic writers and critics at social functions and Wall Street business gatherings, but that he could not properly evaluate their political position.

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Informant was cautioned to be alert to, and to report in detail, any future contacts which might appear to him to have any connection, direct or indirect, with the Communist Party.

On 2/24/61, NY 694-S* advised that he was planning to begin contact with [redacted] during the middle part of March, 1961. Reference is made to the over-all plan of development of [redacted] (NYlet to Bureau 2/2/61) wherein initial contact between NY 694-S* and [redacted] would be effected by a logical third person. However, it is noted that NY 694-S* recently

b7D

[redacted] (ADM)

b7D

suffered a recurrence of his lung ailment and at present is recuperating in Miami, Florida.

It is expected that as soon as possible after his return, NY 694-S* will place in effect the initial contact referred to above.

Contacts with [redacted] continue and the Bureau will be kept advised by New York as directed.

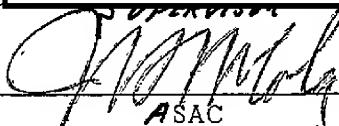
b7D

CITY New YorkDATE March 3, 1961Request of Special Agent in Charge, FBI, New YorkOne Thousand Four Hundred Eighty-Four dollars, and — cents,(\$ 1484 ⁰⁰), which money is to be paid by me on 3/13/61to N.Y. 694-5for information concerning the case entitled CPUSA - 15-e (100-4981)

Authority 1-9-61 : Please approve 1-13-61 Signed: Alexander C. Burlinson
Burlinson 2-10-61 Special Agent
Burlinson 1-26-61

Authority (date) 2/1-28/61 Service 100 00
3/1-31/61 Coverd Office (175 5th Ave) 134 00Period Covered by Payment 3/1/61 Correspondent on 50 Broad St Office (2nd floor) 2.50

Activity
 Informant continues to furnish on a daily basis information concerning CPUSA top leadership activities and CPUSA funds Authorization Checked Yes
 Check Number 611 3/13/61
 Receipts Received 3/13/61
 Voucher Prepared 3/20/61 Item 17

Approved 

 ASAC
Informant's File No. 134-91A-1128 b6 b7cDate of Actual Payment 3/13/61 By Whom A.C. Burlinson
 Searched OP
 Serialized OP
 Indexed OP
 Filed OP

CITY New YorkDATE March 3, 1961Request of Special Agent in Charge, FBI, New YorkTwenty-one dollars, and — cents,(\$ 21⁰⁰), which money is to be paid by me on 3/13/61to NY 694-5for information concerning the case entitled CPN 56-15-c (100-4931)

Bullet 12-2-60 (Telephone Washington) ^{2nd}
 Signed: Alexander E. Bulinson
 N.Y.Lt. 1-9-61 - Bureau approval 1-13-61
 re payment of $\frac{1}{3}^{\text{rd}}$ per month instead
 of $\frac{1}{4}$ per month for cost to office.

Authority (date)

2/1/28/61 Installation of second telephone in form of $\frac{1}{2}$ " 00
 2/1/28/61 Cost of extra telephone for February, 1961 $\frac{1}{2}$ " $\frac{1}{4}$ " 00

Period Covered by Payment

Perf. 694-5 ~~subsequently were paid~~
 only $\frac{1}{2}$ " instead of $\frac{1}{3}$ " for maintenance
 of the cost to office in February, 1961 Authorization Checked Yes
 Payment of $\frac{1}{3}$ " authorized by Check Number 612 3/2/61
 N.Y.Lt. 1-9-61, Bureau approval Receipts Received 3/13/61
 Thereof 1-13-61. Voucher Prepared 3/20/61 Item 15

Approved

A.C. Bulinson
SAC

b6
b7cInformant's File No. 134-91A-1129Date of Actual Payment 3/13/61 By Whom A.C. Bulinson

Searched _____
 Serialized 80 _____
 Indexed _____
 Filed OP _____

UNITED STATES GOVERNMENT

Memorandum

TO : SAC *New York (134-91A)*

DATE: *3-15-61*

FROM : SA *J. C. Burkman*

CI SI

SUBJECT: *N.Y. 694-5*

PCI PSI

Dates of Contact <i>3-13-61</i>	
Titles and File #s on which contacted	
<i>100-144227</i> 	
<i>100-144129</i> 	
<i>100-103390</i> 	
<i>100-89075</i> 	
<i>105-46161</i> 	
<i>100-144092</i> 	
<i>100-143813</i> 	
Purpose and results of contact	
<input checked="" type="checkbox"/> Negative 	<i>100-143938</i>
<input type="checkbox"/> Positive 	<i>100-80216</i>
 	<i>100-120821</i>
 	<i>100-111199</i>
<i>100-144157</i>	
<i>100-143833</i>	
<i>100-144204</i>	
<i>100-144058</i>	
<i>100-144020</i>	
<i>100-144190</i>	
<i>100-144164</i>	
<i>100-144134</i>	
<i>100-143899</i>	
<i>105-37797</i>	
 	
<i>100-143660</i>	
<i>100-144663</i>	
<i>100-144008</i>	
<input checked="" type="checkbox"/> Security Informant certified that he had furnished all information obtained by him since last contact.	
Personal Data	Rating <i>Excellent</i>
	Coverage <i>CPUSA</i>

1 - _____

SEARCHED <i>PP</i>	INDEXED <i>PP</i>
SERIALIZED <i>PP</i>	FILED <i>PP</i>
MAR 16 1961	
FBI — NEW YORK	

1 - _____

Chief Clerk
Post *W.W.*

134-91A-130

b7D

DIRECTOR, FBI (100-340711)

3/21/61

SAC, NEW YORK (134-91A)

NY 694-S

As the Bureau has been informed, NY 694-S, on the advice of his physician, went to Miami, Florida, on 2/28/61. The informant returned on 3/11/61. Since the bleeding from his lung had not ceased while he was in Miami, NY 694-S, on his return to NY, consulted [redacted] a lung specialist who has been treating him.

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According to [redacted] the current bleeding is due to a "flareup" of the infection in the lower right lobe of the lung. The doctor has ordered a different type of medication to combat the bleeding of the informant's lung. The doctor also indicated that unless the lung infection can be cured medically within the next six months, surgery may be necessary.

The NYO requests Bureau authority to pay NY 694-S for the period 2/28 to 3/11, during which he was away from NY for reasons of health.

2-Bureau (100-340711) (RM)
1-NY 134-91A (AL)

ACB:rm
(S)

134-340711-1

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 21 1961	
FBI - NEW YORK	

DAWEN 1003

DAWEN

1003

CITY New YorkDATE March 3, 1961Request of Special Agent in Charge, FBI, New YorkOne Hundred dollars, and — cents,(\$ 100⁰⁰), which money is to be paid by me on 3/9/61
Special account in name of H. C. Foster and G. H. McColie
to 296945} at Industrial Capital Industrial Savings Bank, N.Y.C.for information concerning the case entitled CD 254-15-C (100-4931)By letter dated 1-26-56 the Bureau authorized the N.Y.C. to
deposit \$100 per month in the bank for the benefit of the informant,
the total to be paid to him upon termination of his service.Signed: Alexander C. Burlinson
 Special AgentAuthority (date) Bullet 1-26-56Period Covered by Payment 2/1-22/61Authorization Checked YesCheck Number 600 3-7-61Receipt Received 34Voucher Prepared 3/15/61 Item 37

Approved:

b6
b7cInformant's File No. 184-91A7132Date of Actual Payment 3/9/61 By Whom Alexander C. BurlinsonPriority _____
 Serialized pb _____
 Indexed _____
 Filed pb _____

DIRECTOR, FBI (100-415964)

3/27/61

SAC, NEW YORK [REDACTED] (ADM)

[REDACTED]

b7D

ReNYlet to Bureau, 3/7/61.

Regular contact is being maintained with [REDACTED]

BACKGROUND

There are no pertinent additions to, or changes in, the background information thus far submitted to the Bureau.

[REDACTED]

[REDACTED]

b7D

The ultra-sonic cauterization referred to in reNYlet of 3/7/61 was ruled out at the last moment as potentially dangerous.

DEVELOPMENT, PROGRESS AND CONTACTS

During March, 1961, the informant has continued periodic casual contact with [REDACTED] On 3/22/61, [REDACTED] stated that [REDACTED] has not discussed Communists or Communism, except for a limited financial discussion concerning Cuba and various corporate holdings in that country. According to [REDACTED] having found [REDACTED] unreceptive to the Communist viewpoint on several occasions in the past two years, has used great care to direct his conversation in such a manner that he will get the financial-investment information

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P.

2 - Bureau (100-415964) (RM)
1 - NY 134-91 (ADM) (41)
1 - [REDACTED] (ADM) (41)

RJQ:msb
(4)

3/27/61 - 1134

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 28 1961	
FBI — NEW YORK	

[Signature]

b7D

[redacted] (ADM)

b7D

he desires as an investment dealer without touching on Communism and thereby running the risk of losing [redacted] as a "friendly" and valuable investment contact.

Consequently, [redacted] has been cautioned to be most careful in those same areas of discussion in order that he not arouse [redacted] suspicion by possibly illogical or poorly-timed changes in his political opinions.

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As outlined and indicated in the 2/2/61 NYlet to Bureau, and in previous letters, according to information provided by NY 694-S*, [redacted] has profited greatly from personal utilization of [redacted] as an investment counselor and sounding board for [redacted] financial problems. The basic Communist Party (CP) plan, on the other hand, was that [redacted] acting for the CP, would contact [redacted] for investment counseling and relay the counseling obtained back to the CP for CP utilization and benefit. However, by degrees, over the past five to ten years, [redacted] has succeeded in personally isolating [redacted] to such an extent that contact with [redacted] could and would be effected only through [redacted] as a go-between.

It will be noted therefore that utilization of [redacted] [redacted] as a means for reactivation of [redacted] into the CP, though possible and logical, would nevertheless be complicated and time consuming.

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The very person to be utilized in the re-establishment of broad contact with the CP, [redacted] would himself be against such re-establishment for selfish, personal reasons. In addition, he would be in a perfect position to frustrate logical secure efforts in that direction almost at will.

[redacted] would have to reassure [redacted] of his

[redacted] (ADM)

[redacted] political orientation (or re-orientation, depending upon how far [redacted] feels [redacted] has swung to the right) by taking advantage of appropriate, well-spaced, secure, conversational opportunities.

b6
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ReNYlet to Bureau of 2/2/61 which outlined planned utilization of a third person, [redacted] to obliquely contact [redacted]

On 3/17/61, NY 694-S* advised that as a result of his contacting GUS HALL (General Secretary, CPUSA) concerning [redacted] and HALL's anxiety to make contact with this individual, NY 694-S* decided that in order to expedite this matter, he would ask LEM HARRIS to arrange contact with [redacted]. LEM HARRIS advised NY 694-S* that he would make such a contact through one of the following four individuals; namely, ROBERT W. DUNN, VICTOR PERLO, [redacted]

VICTOR PERLO (Bufile 100-362128) and ROBERT W. DUNN (Bufile 61-3849) are both Security Index subjects in the New York Office and are both associated with the "Wall Street group."

It is to be noted that [redacted] (Bufile 100-364392, a Security Index subject in the NYO and a member of the "Wall Street group") works in the same office with [redacted]
[redacted]

NY 694-S* advised on 3/17/61 that LEM HARRIS had reported back to the informant and advised him that he had decided to make the contact with [redacted] and had done so. [redacted] then reported back to LEM HARRIS and told him that under no circumstances should representatives of the Communist Party contact [redacted] due to the fact that the "Rover boys" had, within the past three months, been in contact with [redacted]. In addition, [redacted] told LEM HARRIS that

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[redacted] (ADM)

b6
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[redacted] and also that [redacted] was having job difficulties, all of which facts, according to [redacted] would militate any representative of the CP making contact with [redacted]

As a result, NY 694-S* pointed out that the situation did not look at all good from the standpoint of further developing [redacted] in connection with this apparatus. As a result of NY 694-S*' comments in this regard, an immediate conference was arranged for 3/20/61 between NY 694-S*, Supervisor [redacted] and SAS ALEXANDER C. BURLINSON [redacted]

[redacted] NY 694-S* expressed at this conference that [redacted] comments were based on [redacted] comments, as it must be assumed such is the case since one sits adjacent to the other, and further, it must be also assumed that [redacted] is trying to retain [redacted] for his own selfish purposes at the expense of the CP.

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Going on that assumption, NY 694-S* was advised that this was a completely disgusting situation as it was developing. It was hard for the FBI to understand how the CP could permit a man like [redacted] to milk [redacted] at the expense of the CP. It was pointed out to NY 694-S* that the agents felt that NY 694-S* was too smart to permit [redacted] to outsmart him in this regard, especially when [redacted] motives are quite apparent when one realizes that although [redacted] raises a security question in the CP's maintaining any contact with [redacted] he [redacted] nevertheless was in contact with [redacted] as recent as one week ago. It was pointed out to NY 694-S* that [redacted] position seems quite inconsistent and that he should not be permitted to get away with it.

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In addition, the extremely valuable information in possession of [redacted] from an investment standpoint was

[redacted] (ADM)

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impressed upon NY 694-S* with a pointed suggestion that [redacted] should not be the exclusive recipient of this valuable information, as he was getting wealthy at the expense of members of the CP, as well as the CP itself.

NY 694-S* became quite inflamed over [redacted] dastardly conduct, pointing out that he has felt that way all along and that [redacted] has taken an undue advantage over him and the Party and that he was not going to permit that.

It was pointed out to NY 694-S* that he certainly could not afford to drop this matter in view of HALL's request to make contact with [redacted]. NY 694-S* was highly in agreement with this thinking.

As a result of this conference, NY 694-S* stated that he will contact [redacted] and instruct him to send a letter to [redacted] arranging for an appointment. In the meantime, we should advise [redacted] to expect some kind of a communication from an individual requesting an appointment and suggest to [redacted] that it be honored.

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On 3/22 and 23/61, NY 694-S* advised that he had arranged with [redacted] to have [redacted] communicate with [redacted] by letter and a follow-up phone call. The announced purpose of the contact between [redacted] would be the presentation [redacted] of a personal financial problem for solution [redacted]

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On 3/22/61, [redacted] was once again alerted for contact by a representative of the CP in the immediate future, which contact would not be arranged for by [redacted]

[redacted] (ADM)

[redacted] was cautioned not to communicate the expectation of the contact to [redacted] and not to tell [redacted] when and if contact was actually made. [redacted] was told further that apparently the CP had at long last recognized that [redacted] had walled off [redacted] and was planning to go around [redacted] and, as anticipated and expected, make a contact through a third person.

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[redacted] appeared poised and ready, waiting for the contact and anxious to report to his contacting agent for further instructions.

The Bureau will be advised of the result of this contact and all other steps in the informant's development as directed in Bulets concerning this matter.

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, NEW YORK (134-91A)

FROM : SA ALEXANDER C. BURLINSON

SUBJECT: NY 694-S

DATE: 3/31/61

1/3

b6
b7c

SEC.
SEC.
SEC.
SEC.
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SEC.
SEC.

[Redacted]

The captioned informant advised on 3/31/61, that the cover company office (Arisco Associates) has been moved to 50 Broad St., NYC, where it occupies Rooms 2041 to 2043, the entrance being in Room 2043.

There are two telephones in the new office: One, for contact only with the FBI, is Bowling Green 9-6271, and the other, for general contact with the public, is Bowling Green 9-6270.

Revised
3/31/61
ACB:ume

1-MAY-MO-KNOW
1-NY 134-91A (41)

ACB:ume

1/35

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
X MAR 3 1 1961	
FBI - NEW YORK	
[Signature]	

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, NEW YORK

DATE: 3/28/61

FROM: SAC, MIAMI [redacted]

b7D

SUBJECT: NY 694-S

Re New York teletype dated 2/27/61, advising informant would spend approximately one (1) week in Miami, on advice of physician, and would contact SAC upon arrival.

Informant telephonically advised on February 28, 1961, he was visiting at the Columbus Hotel, room 605, Miami, Florida.

Since no matters arose during his stay here, where he needed to be contacted and for security reasons, no contact was made.

RUC.

2 - New York (RM) Adm 134-91A

1 - Miami

JHD:cmw

(3)

134-91A7/86

Burke/KR

f2

DIRECTOR, FBI (100-415964)

4/6/61

SAC, NEW YORK [REDACTED] (ADM)

b7D

[REDACTED]
ReNYlet to Bureau 3/27/61.

Henceforth communications dealing with captioned informant will carry an asterisk after the symbol number. The added protection afforded by the use of the asterisk has been deemed necessary in view of [REDACTED] expected high level contacts within the CP and especially in view of the developmental association between NY 694-S* [REDACTED]

b7D

DEVELOPMENT, PROGRESS AND CONTACTS

Referenced letter reflected that NY 694-S* would instruct [REDACTED] to send a letter to [REDACTED] arranging for a meeting between [REDACTED] the announced purpose of which would be the presentation to [REDACTED] by [REDACTED] of a personal financial problem for solution by [REDACTED]

The purpose and result of this approach would be twofold: First and foremost it would "test" [REDACTED] integrity and sincerity concerning his relationship with the FBI. That is to say, prompt reporting of the receipt of such a letter and a discussion of its details with his contacting agent would be further proof of [REDACTED] integrity and sincerity. Secondly, the time lag between his receipt of such a communication and the time of being previously forewarned of the possibility of such a receipt would permit him, if he was so inclined, to discuss the matter with [REDACTED] his usual CP contact. Such a contact would ultimately have been communicated to NY 694-S*. No such contact was ever reported by NY 694-S*.

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P.

- 2 - BUREAU (RM)
- 1 - NY 134-91 (ADM) (#41)
- 1 - [REDACTED] (ADM) (#41)

b7D

RJQ:DJG
(4)

SP
PP

1-1-1961 1137

Letter to Director
[redacted]
ADM

On 3/20/61 [redacted] mailed a letter on his Firm's stationery to [redacted] office address in which, in introductory matter, [redacted] mentioned their "old" common friends [redacted]

b6
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[redacted] received the letter (a weekend, holiday and day off intervened) on Tuesday morning 4/4/61, and shortly thereafter advised his contacting agent of its receipt and stated that he was "awaiting instructions before making his move" in response to the letter.

On 4/5/61, [redacted] presented the letter for review by his contacting agent, appeared candid and sincere in discussing its contents, and advised that he stood ready to meet [redacted] and to take other steps that would become necessary subsequent to a meeting with [redacted]

[redacted] identified a photograph of [redacted] and stated that he had neither seen nor heard of [redacted] for fifteen years, not since those dinner meetings our "group" hold "down here" which [redacted] mentioned, were attended by [redacted]

b6
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[redacted] was told that [redacted] a relatively unimportant person in the CP structure, was most probably merely acting as a go-between and would upon meeting with [redacted] set up a further meeting with a more highly placed CP personality.

[redacted] was somewhat apprehensive concerning meeting with more highly placed personalities not because of their prominence but for fear he could not "speak their language". He was put at ease when he was made to realize that on the contrary, they would be fearful of not being able to speak his language

[redacted] plans to contact [redacted] immediately and arrange the meeting between [redacted] and [redacted] which in turn will result in a meeting between [redacted] and/or NY 694-3* and GUS HALL. Who will meet [redacted] when and where, can and will be controlled by NY 694-3*.

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The Bureau will be advised of the results of the meeting between [redacted]

CITY New YorkDATE 3-31-61Request of Special Agent in Charge, FBI, New YorkOne Hundred dollars, and — cents,(\$ 100⁰⁰), which money is to be paid by me on 4/15/61
7 special account in name of H.A. Fisher and R.H. McCall at
NY 100-49315 Remington Industrial Savings Bank N.Y.C.for information concerning the case entitled CPNSK-15-C (100-4931)By letter dated 1-26-56 the Bureau authorized the AGO to
deposit \$100⁰⁰ per month in the bank for the benefit of the informant,
the total to be paid to him upon termination of his service.Signed: Alexander E. Burleson
Special AgentAuthority (date) Bullet 1-26-56Period Covered by Payment 3/1-31/61Authorization Checked ✓Check Number 869-4461No Receipts Received —Voucher Prepared 4/14/61 Item 16Approved: [Redacted]b6
b7cR. J. M. McClellan Informant's File No. 134-91A-1138
ASACDate of Actual Payment 4/5/61 By Whom A.C. BurlesonSearched ✓
Serialized ✓
Indexed ✓
Filed ✓

CITY New YorkDATE 3-31-61Request of Special Agent in Charge, FBI, New YorkOne Thousand Two Hundred Fifty Seven dollars, and — cents,(\$ 1257⁰⁰), which money is to be paid by me on 4/5/61to R-44694-Sfor information concerning the case entitled CPUSA -15-C (100-4931)W.A.Letter 1-9-61: Brooklynport 1-13-61 Signed: Alejandro C. Burleson
Special Agent

Budgeted 2-10-61

Authority (date) 1-26-613/1-31/61 : Service 1100⁰⁰4/1-30/61 : Carole Office (Madoff) 50⁰⁰ 157⁰⁰

Period Covered by Payment

Activity
 Informant continue to furnish me
 daily basis information covering
 CPUSA top leadership activities
 and CPUSA funds.

Authorization Checked yesCheck Number 868-444/61Receipts Received 4/5/61Voucher Prepared 4/14/61 Item 17Approved 
SUPERVISION
M. Malia
A SACInformant's File No. 134-91A-139Date of Actual Payment 4/5/61 By Whom A. C. BurlesonSearch d _____
Serialized A _____
Indexed _____
Filed A _____b6
b7c

DIRECTOR, FBI (100-340711)

4/13/61

SAC, NEW YORK(134-91A)

NY 694-S*
CG 5824-S*

Hemplet, 1/17/61.

The financial statements for the cover company for the period 1/1/61 to 3/31/61 are submitted. The statements include a Profit and Loss statement for the period, a Balance Sheet as of 3/31/61, a Cash Statement and schedules of details of expenses.

The Profit and Loss Statement reflects a gross profit on sales of \$204.22, and an operating loss of \$1,247.64. The merchandise inventory is computed at cost. Payment of \$2,500 to the cover company in February resulted in an increase of loans payable from \$5,000 to \$7,500, which represent the money advanced by the Bureau since 1960.

The next report will be submitted on or about July 15, 1961.

NY 694-S* continues to spend approximately two hours per day on cover company operations without interfering with his efforts on behalf of the Bureau.

3-Bureau (100-340711) (RM)
(1-61-7665)

2-Chicago [REDACTED] (RM)
(1-134-46)

1-NY 66-6939 (ADM) (41)
1-NY 134-91A (ADM) (41)

ACB/PJS:ume
(6)

(1-WTM)

134-91A-1140
Searched _____
Serialized _____
Indexed _____
Filed _____

b7D

JL
MOMS

NY 134-91A

Profit and Loss Statement
for Period 1/1/61 to 3/31/61

Sales	\$ 363.40
Less: Returns	<u>22.90</u>
	\$ 340.50
Cost of Goods Sold:	
Inventory, 1/1/61	\$ 454.10
Purchases	<u>- 0 -</u>
Goods Available for Sale	<u>\$ 454.10</u>
Less: Inventory, 3/31/61	<u>117.82</u>
Cost of Goods Sold	\$ 336.28
Gross Profit	<u>\$ 204.22</u>
Less: Expenses	
Depreciation Expense	\$ 10.58
Office Supplies	14.32
Freight & Postage - Sales	14.32
Advertising	642.50
Sales Promotion	26.48
Salaries - Chicago	375.00
Rent - Chicago	249.33
Phones - Chicago	119.13
Total Expenses	<u>\$1,451.30</u>
Net Loss - 1st Quarter	<u>\$1,247.08</u>

-JW-91A

Balance Sheet
as of March 31, 1961

ASSETS

Cash	\$1,396.68
Merchandise Inventory	317.82
Furniture & Fixtures - Depreciated	370.40
Accounts Receivable	66.41
Total Assets - 3/31/61	<u>\$2,151.33</u>

LIABILITIES

Loans Payable	\$7,500.00
---------------	------------

CAPITAL

Capital 1/1/61	\$4,101.03
Loss - 1st Quarter	-1,247.64
Deficit - 3/31/61	-5,348.67
Total Liabilities & Capital - 3/31/61	<u>\$2,151.33</u>

Cash Account

Cash Balance 1/1/61	\$ 46.99
Sales	\$ 363.40
Less: Returns	422.90
Accounts Receivable	51.53 74.43 288.97
Loans Payable	2,500.00
Total Available Cash	\$2,037.96

Less: Disbursements	
Office Supplies	\$ 14.32
Freight & Postage - Sales	14.32
Advertising	642.50
Sales Promotion	26.46
Salaries - Chicago	375.00
Rent - Chicago	249.33
Phones - Chicago	119.33
Total Disbursed	1,441.28
Cash Balance - 3/31/61	<u>\$1,396.68</u>

KY 134-91A

Merchandise Inventory

5 No. 713 Drawing Stands @ \$3.57	\$ 17.85
43 No. 714 Drawing Stands @ \$3.72	286.96
1 No. 8030 Tripod @ \$11.01	11.01
Total	<u><u>\$315.82</u></u>

Detail of Expenses

Office Supplies

January - Chicago	\$ 3.00
February - Chicago	2.55
March - Chicago	7.00
Total	<u><u>\$12.55</u></u>

Freight & Postage - Rail

January	\$ 8.74
February	2.35
March	3.23
Total	<u><u>\$14.32</u></u>

Advertising

American Artist - December issue	\$200.00
American Artist - January issue - 1/3 page	200.00
American Artist - February issue - 1/3 page	200.00
Abraham Lincoln High School Teachers, Council Bluffs, Iowa - March issue	12.50
North High School, "Graels," Des Moines, Iowa - March issue	15.00
Creston Idaho High School, Grand Rapids, Michigan - March issue	15.00
Total	<u><u>\$672.50</u></u>

Sales Promotion

1/10 Tucson Art Club mailing - 50 letters	\$ 2.00
1/16 25 Tablet (Counter envs) L.A. Clubs	7.50
2/4 100 Sales letters-San Francisco Art Clubs	4.00
2/14 75 Sales letters-Chicago Art Clubs	3.25
2/16 10 Sales letters - Racine Art Clubs	.40
2/17 15 Sales letters - Waukegan Art Clubs	.60
3/11 200 Sales letters - Cleveland - plus envelopes	5.00
Total	<u><u>\$26.75</u></u>

NY 134-92A

Salaries - Chicago

[REDACTED]	January	\$ 125.00
	February	\$ 125.00
	March	\$ 125.00
		\$ 375.00

b6
b7C

Rent - Chicago

January	\$ 83.11
February	\$ 83.11
March	\$ 83.11
	\$ 249.33

Phones - Chicago

Answering Phone Service - January	\$ 12.75
- February	\$ 13.25
- March	\$ 12.55
Phone Company - January	\$ 25.73
- February	\$ 29.77
- March	\$ 28.26
	\$ 79.76

DIRECTOR, FBI (100-340711)

4/13/61

SAC, NEW YORK(134-91A)

NY 694-S*
CG 5824-S*

Replayet, 1/17/61.

The financial statements for the cover company for the period 1/1/61 to 3/31/61 are submitted. The statements include a Profit and Loss statement for the period, a Balance Sheet as of 3/31/61, a Cash Statement and schedules of details of expenses.

The Profit and Loss Statement reflects a gross profit on sales of \$204.22, and an operating loss of \$1,247.64. The merchandise inventory is computed at cost. Payment of \$2,500 to the cover company in February resulted in an increase of loans payable from \$5,000 to \$7,500, which represent the money advanced by the Bureau since 1960.

The next report will be submitted on or about July 15, 1961.

NY 694-S* continues to spend approximately two hours per day on cover company operations without interfering with his efforts on behalf of the Bureau.

3-Bureau (100-340711) (RM)
(1-61-7665)
2-Chicago [REDACTED] (RM)
(1-134-46)
1-NY 66-6986 (ADM) (41)
1-NY 134-91A (ADM) (41)

ACB/CSC:mc
(8)

(1-WTM)

b7D

Conny

NY 134-91A

Profit and Loss Statement
for Period 1/1/61 to 3/31/61

Sales	\$ 363.40
Less: Returns	<u>22.90</u>
	\$ 340.50
Cost of Goods Sold:	
Inventory, 1/1/61	\$ 454.10
Purchases	<u>- 0 -</u>
Goods Available for Sale	<u>454.10</u>
Less: Inventory, 3/31/61	<u>317.62</u>
Cost of Goods Sold	<u>136.48</u>
Gross Profit	<u>\$ 204.02</u>
Less: Expenses	
Depreciation Expense	\$ 10.58
Office Supplies	14.32
Freight & Postage - Sales	14.32
Advertising	642.50
Sales Promotion	86.46
Salaries - Chicago	315.00
Rent - Chicago	249.33
Phone - Chicago	119.33
Total Expenses	<u>\$ 1,351.86</u>
Net Loss - 1st Quarter	<u>\$ 1,147.84</u>

NY 134-91A

Balance Sheet
as of March 31, 1961

ASSETS

Cash	\$1,396.66
Merchandise Inventory	317.82
Furniture & Fixtures - Depreciated	370.40
Accounts Receivable	66.43
Total Assets - 3/31/61	<u><u>\$2,191.31</u></u>

LIABILITIES

Loans Payable	\$1,500.00
---------------	------------

CAPITAL

Capital 1/1/61	\$4,101.03
Loss - 1st Quarter	-1,247.64
Deficit - 3/31/61	-5,348.07
Total Liabilities & Capital - 3/31/61	<u><u>\$2,151.33</u></u>

Cash Account

Cash Balance 1/1/61	\$ 40.90
Sales	+ 363.40
Less: Returns	\$ 22.90
Accounts Receivable	<u>51.53</u> 74.43 \$68.97
Loans Payable	3,500.00
Total Available Cash	<u><u>\$1,637.36</u></u>
Less: Disbursements	
Office Supplies	\$ 14.32
Freight & Postage - Sales	14.32
Advertising	648.50
Sales Promotion	35.46
Salaries - Chicago	375.00
Rent - Chicago	249.33
Phone - Chicago	119.33
Total Disbursed	<u>1,441.26</u>
Cash Balance - 3/31/61	<u><u>\$1,637.36</u></u>

NY 134-91A

Merchandise Inventory

5 No. 713 Drawing Stands @ \$3.57	\$ 17.85
43 No. 714 Drawing Stands @ \$6.72	288.96
1 No. 8090 Tripod @ \$11.01	11.01
Total	<u><u>\$317.82</u></u>

Detail of Expenses

Office Supplies

January - Chicago	\$ 1.88
February - Chicago	2.55
March - Chicago	7.89
Total	<u><u>\$ 12.32</u></u>

Freight & Postage - Sales

January	\$ 8.74
February	2.35
March	1.73
Total	<u><u>\$ 12.82</u></u>

Advertising

American Artist - December issue	\$ 200.00
American Artist - January issue - 1/3 page	800.00
American Artist - February issue - 1/3 page	200.00
Abraham Lincoln High School "Tribute," Council Bluffs, Iowa - March issue	12.50
North High School, "Oracle," Des Moines, Iowa - March issue	15.00
Creston Lake High School, Grand Rapids, Michigan - March issue	15.00
Total	<u><u>\$647.50</u></u>

Sales Promotion

1/10 Tucson Art Club mailing - 50 letters	\$ 2.00
1/16 25 Tablet (Counter cards) L.A. Clubs	7.50
2/4 100 Sales letters-San Francisco Art Clubs	4.00
2/14 75 Sales letters-Chicago Art Clubs	3.25
2/16 10 Sales letters - Racine Art Clubs	.40
2/17 15 Sales letters - Waukegan Art Clubs	.60
3/11 200 Sales letters - Cleveland - plus envelopes	8.60
Total	<u><u>\$ 35.45</u></u>

NY 134-911

Utilities - Chicago

<input type="checkbox"/>	January	\$ 125.00
	February	\$ 125.00
	March	\$ 125.00
		<input type="checkbox"/> \$ 375.00

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b7c

Rent - Chicago

January	\$ 65.11
February	\$ 65.11
March	\$ 65.11
	<input type="checkbox"/> \$ 195.33

Phone - Chicago

Answering Phone Service - January	\$ 12.75
- February	\$ 13.25
- March	\$ 12.55
Phone Company - January	\$ 25.73
- February	\$ 25.77
- March	\$ 25.26
	<input type="checkbox"/> \$ 76.76

UNITED STATES GOVERNMENT

Memorandum

TO : SAC *New York (134-91A)*

FROM : SA *A. G. Berlinsos*

SUBJECT: *NY 694-5*

DATE: *4-17-61*

CI SI
 PCI PSI

Dates of Contact <i>4-14-61</i>			
Titles and File #s on which contacted			
	100-18723	100-144130	100-144427
	100-121467	100-143946	100-124778
	100-144351	100-144165	105-47084
	100-110628	100-14437	100-144395
	100-47502	100-144010	100-144259
	100-139663	100-144020	105-19778
Purpose and results of contact			
<input checked="" type="checkbox"/> Negative	100-144509	100-61965	100-142106
<input type="checkbox"/> Positive	100-103065	100-143831	105-37303
	100-83719	100-144525	100-143607
	100-94711	100-144539	100-25876
	140-11839		100-144244
	100-104546		100-144243
	100-144381		100-144229
	105-16605		100-138188
	100-2520		100-91454
	105-44714		100-144645
	100-144340		100-144202
	100-144404		100-80006
	100-144394		100-144015
	100-144403		100-144043
	100-95295		100-143804
			100-144108
<input checked="" type="checkbox"/> Security Informant certified that he had furnished all information obtained by him since last contact.			
Personal Data		Rating <i>Excellent</i>	
		Coverage <i>CPIIS a</i>	

1 - _____
1 - _____

Chief *Cash*
Post *WWM*
d41

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APR 17 1961	
FBI — NEW YORK	
<i>WWM</i>	
134-314-11484	

UNITED STATES GOVERNMENT

Memorandum

TO : SAC (134-91)

DATE: 4/21/61

FROM : SUP. [redacted] #41

SUBJECT: NY 694-S*

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At 3:30 PM, 4/21/61, I telephonically communicated with Supervisor CARL FREYMAN of the Chicago Office at which time I advised him that NY 694-S* had received certain instructions from GUS HALL and requested that we relay this information to CG 5824-S*. GUS HALL wants CG 5824-S* to come in on Monday night for a conference with him on Tuesday. HALL is not calling him in to discuss the Cuban situation even though that's bad. He is calling him in because:

1. At the moment HALL is discussing in the National Board meeting the question whether "THE WORKER" can be published twice a week and soon become a daily. (Money angle re CG 5824-S*)
2. HALL is asking Moscow to subscribe immediately to 2,000 subscriptions to "PEOPLES WORLD".
3. HALL wants CG 5824-S* to see whoever goes to Moscow on Tuesday before they leave.
4. HALL wants to discuss [redacted] with CG 5824-S*.

[redacted] finds himself without work at the moment because he can't get along with HY LUMER, Educational Director, whom he is supposed to replace if LUMER goes to jail. HALL wants to discuss [redacted] being given International Affairs Commission work.

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FREYMAN stated that he will get this information passed on to CG 5824-S* as soon as possible.

WTM:DJG

4-56-774-57

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Burman

4-56-774-134-91A-1842
4/21/61

DIRECTOR, FBI (100-415964)

4/27/61

SAC, NEW YORK [REDACTED] (ADM)

b7D

[REDACTED]

RcNYlet to Bureau, 4/19/61.

On 4/25/61, [REDACTED] advised that [REDACTED] had contacted him that day and asked [REDACTED] if he was available to meet on 4/26/61, with the "prominent individual" referred to during their meeting on 4/18/61 (CF re NYlet to Bureau). [REDACTED] told [REDACTED] that he would be able to make the meeting and detailed plans were made.

On 4/26/61, [REDACTED] advised as follows concerning his meeting that evening at the Antler's Restaurant, 63 Wall Street, NYC, with [REDACTED] and NY 694-S*:

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[REDACTED] advised that the individual he was introduced to by [REDACTED] was JACK CHILDS, whom [REDACTED] immediately recognized as another of those individuals with whom [REDACTED] occasionally met in the financial district ten or fifteen years ago.

[REDACTED] advised that the meeting was a short one and that he and NY 694-S* spent considerable time in small talk concerning the "Market situation at the present time" and reference and comparison to persons and events of years ago.

NY 694-S* explained to [REDACTED] that his purpose in getting together with [REDACTED] was to determine if [REDACTED] would be willing to get together with him and other individuals like him to discuss economic-financial matters and to exchange and discuss their different points of view. [REDACTED] recognized, as did NY 694-S*, that

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[REDACTED] viewpoint concerning the American economy has always been a favorable, bullish outlook with expectations of continued growth and prosperity. In connection with these

- 2 - Bureau (100-415964) (RM)
1 - NY 134-01 (ADM) (#1)
1 - [REDACTED] (ADM) (41)

RJQ:ml
(4)

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dean

134-4112-1143

[redacted]

get togethers, NY 694-S* told [redacted] that he would like to bring certain economists along to aid in the discussions and named [redacted] VICTOR PERLO [redacted] misspelled the name as PERLA) (Bufiles 61-3849 and 100-362128, respectively) as examples of such economists.

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In addition, according to [redacted] NY 694-S* stated that there were certain individuals within his sphere of activity who still had considerable sums of money to invest, who needed investment counseling, and who would welcome [redacted] as an investment counsellor. As an example of such individuals, [redacted] stated that NY 694-S* named [redacted] (Bufile 100-350255).

[redacted] with calculated reluctance, agreed to consider favorably the request of NY 694-S*.

The remainder of the meeting, according to [redacted] was given over to small talk and a discussion of ways and means of maintaining contact and meeting again.

[redacted] stated to his contacting agent that he had purposely appeared somewhat reluctant concerning subsequent meetings with NY 694-S* and others in order not to appear too anxious. He had reminded NY 694-S* that he had a very important position to protect and that his available free time was limited and very valuable.

b7D

[redacted] further advised his contacting agent that the meeting went well and that he would remain ready for the next meeting with NY 694-S* or whoever else would be caused to meet with him.

NY 694-S* advised on 4/26, 27/61, that he and NY 694-S* met as planned and, also, that the meeting went very well.

NY 694-S* stated that [redacted] left the meeting almost immediately after bringing he and [redacted] together. NY 694-S* stated that after renewing their old, limited acquaintanceship by reference to names and events from the past,

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[redacted]

b7D

he and [redacted] went into a discussion concerning the reason and purpose behind NY 694-S*' wishing to contact [redacted]

NY 694-S* explained that he had had considerable difficulty establishing direct contact with [redacted] and attributed the difficulty to blocks placed in the way by HERMAN WALLACH [redacted]

NY 694-S* stated that although the words Communist Party were never actually mentioned, innuendo and reference to old names and events common to him and [redacted] left no doubt as to NY 694-S*' position as an important representative of the Communist Party.

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NY 694-S*' discussion of the meeting between him and [redacted] was substantially the same as that set forth by [redacted] NY 694-S* told [redacted] that for years there had been a gap or void created by the inactivity or liquidation of the "old group" in Wall Street. NY 694-S* told [redacted] that he hoped that [redacted] would agree to meet with him (NY 694-S*) and other important individuals in his group to discuss current financial-economic problems and future prospects from their divergent Bullish general position) and Bearish (CP's general position) viewpoints. NY 694-S* mentioned [redacted] PERLO as possible attendees of such meetings.

b7D

Additionally, NY 694-S* advised he told [redacted] that there were still, as there had been in the past, wealthy individuals favorable to his cause, who had considerable sums to invest, and who needed counseling of the type that [redacted] could provide. According to NY 694-S*, [redacted] agreed to meet with NY 694-S* and the "economists" and to help with the mentioned counseling.

b7D

[redacted] according to NY 694-S*, appeared ready to act according to NY 694-S*' wishes and so stated. [redacted] did show some preliminary reluctance stating that his relationship with NY 694-S* and those associated with him would necessarily require utmost attention to discretion and protection of his position on Wall Street.

[redacted]

According to NY 694-S*, the meeting terminated after detailed plans were made for making later contact with each other.

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The Bureau will be kept currently advised of future meetings which will grow out of this initial meeting between NY 694-S* [redacted] which, as reflected above, proceeded according to plan.

CITY New YorkDATE 4-28-61Request of ^{Assistant} Special Agent in Charge, FBI, New YorkOne Hundred dollars, and — cents,(\$ 100⁰⁰), which money is to be paid by me on 5/1/61
to A. J. Foster and
to R. H. Mc Cabe at Emigrant Selective Service Board, N.Y.C.
NY 694-5for information concerning the case entitled CPUSA - 10-c (100-4931)By letter dated 1-26-56 the Bureau authorized the NYO
to deposit 100⁰⁰ per month in the bank for the benefit of the
informant, the total to be paid to him upon termination of his
services.Signed: Alexander C. Burleson
Special AgentAuthority (date) Bullet 1-26-56Period Covered by Payment 4/1-30/61Authorization Checked YrsCheck Number 1118 - 5/1/61Receipts Received ✓Voucher Prepared 5/9/61 Item 18Approved: George Edwin Jones Jr.^{SUPERVISOR}M. H. McClellan Informant's File No. 134-91A-1144

ASAC

Date of Actual Payment 5/1/61 By Whom A. C. BurlesonSearched m
Serialized m
Indexed m
Filed m

CITY New YorkDATE 4-18-61Request of Special Agent in Charge, FBI, New YorkOne Thousand Three Hundred Ninety Four dollars, and Twenty-four cents,(\$ 1394²⁵), which money is to be paid by me on 5/1/61to Mr. J. G. 6945for information concerning the case entitled CP 256 - 15-C (100-4931)

Revised Letter 1-9-61: Reclassification 1-13-61
 Rebut 1-26-61
 Received 2-10-61

Signed: Alexander C. Burlinson

Special Agent

4/1-5/61: Service \$100⁰⁰
 5/1-31): Con Office 157²²
 Authority (date)

3/28/61: Moving car office from
 175 5th St to 50 Broadway \$10⁰⁰
 Insurance Moving & Trucking Co.: 90⁰⁰
 Installation of two telephones: 14²⁵

Period Covered by Payment

Printing memo on Con Co
 office done by Lincoln 32⁰⁰

Information contained to furnish on
 a daily basis information concerning
 CPUSA top leadership activities
 and CPUSA funds.

Authorization Checked

Check Number 1119-5/1/61Receipts Received 5/1/61Voucher Prepared 5/19/61 Item 5017Approved: George Edwin Jones 4/1

Supervisor

D. H. Mc Clellan
 Agent's File No. 134-91A-1145
 ASAC

Date of Actual Payment 5/1/61 By Whom A.C. Burlinson

Searched _____

Serialized m

Indexed _____

Filed m

UNITED STATES GOVERNMENT

Memorandum

TO : SAC *A.C. Burleson (134-91A)* DATE: *5-4-61*
FROM : SA *A.C. Burleson* CI SI
 PCI PSI
SUBJECT: *N.Y. 6 94-5*

Dates of Contact <i>5-4-61</i>	
Titles and File #s on which contacted	
	100-144591
100-144697	100-128504
65-15392	100-144456
100-108293	100-144508
	100-47357
100-144777	100-144474
Purpose and results of contact	
<input checked="" type="checkbox"/> Negative	100-144475
<input type="checkbox"/> Positive	100-87753
100-144633	100-144024
	100-144428
100-133804	100-144594
100-144491	100-144526
100-144537	100-144552
100-15739	100-59088
100-144652	
100-144527	
100-3708	
100-4806	
100-144546	
100-144545	
100-10089	
<input checked="" type="checkbox"/> Security Informant certified that he had furnished all information obtained by him since last contact.	
Personal Data	Rating <i>Excellent</i>
	Coverage <i>CP 135 A</i>
<i>134-91A-11462</i>	

1 - _____
1 - _____

Chief Clerk
Post *1-11-62*

134-91A-11462

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FBI — NEW YORK	

b7D

DIRECTOR, FBI (100-340711)

5/5/61

SAC, NEW YORK (134-914)

NY 694-S

1. Recommendation

It is recommended that, effective 5/26/61, the Bureau authorize for a period of four months payments to NY 694-S at the rate of \$1100 per month for services rendered, and payments to the informant of \$157 per month for expenses incident to the operation of the cover company office.

2. Residence and Employment

Home address-34-70 48th St., Sunnyside, LI, NY
Business address - Amisco A. Associates, 50 Broad
St., NYC

3. Current Membership in Subversive Organizations

A. Member of CP National Office Finance Committee (Reserve Fund)

B. CPUSA liaison with the Canadian CP

4. Summary of Information Furnished

During the pertinent period, the informant reported contacts with the following CPUSA functionaries: GUS HALL, JAMES JACKSON, ROBERT THOMPSON, JAMES ALLEN, [REDACTED] IRVING ROTASH, LEM HARRIS and ISADORE WOFSY. Other important CPUSA members contacted by the informant were ETHEL FRANKFIELD, JEAN SMITH [REDACTED]. The informant also was in contact with ELIZABETH MASCOLO of the Canadian CP and VLADIMIR BARIKOVSKY, a Soviet.

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From the above named sources, NY 694-S obtained information regarding the following: Operations of the CPUSA National Office and of the NY State CP; funds made available

2-Bureau (100-340711) (RM)
1-NY 134-914 (ATT.) (RM)

ACB:mtm

(S)

Hycq

134-914-1147

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NY 134-91A

to the CPUSA by Soviet sources; activities of the CPUSA Finance Committee (Reserve Fund); the establishment of a CP controlled corporation to import Soviet and Chinese publications; the establishment of a CP controlled negro magazine, and of a trade union publication; CPUSA and Canadian trade union activities; CP activities with regard to the African and the Cuban situation; the identities of CP functionaries attending the May Day celebration in Moscow; contact of CP functionaries with the Soviet Embassy, and Soviet requests that the Soviet Embassy be furnished information regarding the KENNEDY administration. The informant also made available to the NYO a number of documents reflecting top level CP activity.

5. Amounts Paid

A.

<u>Services</u>	<u>For Period</u>
\$1000	January, 1961
1100	February, 1961
1100	March, 1961
1100	April, 1961

B.

Cover Company Office

\$134.00	(175 Fifth Ave.)	February, 1961
12.00	(Installation of second telephone at 175 Fifth Ave.)	February, 1961
134.00	(175 Fifth Ave.)	March, 1961
250.00	(Two months advance rent at 50 Broad St.)	March, 1961
157.00	(50 Broad St.)	April, 1961

NY 134-91A

\$ 90.00	(Moving Cover Company Office to 50 Broad St.)	April, 1961
14.75	(Installation of two telephones - 50 Broad St.)	April, 1961
32.00	(Printing names on Cover Company doors - 50 Broad St.)	April, 1961
157.00	(50 Broad St.)	May, 1961

C.

Special Bank Account

\$100.00	January, 1961
100.00	February, 1961
100.00	March, 1961
100.00	April, 1961

Total \$5681.25

Note: Other expenses incident to the operation of the cover company are not listed herein inasmuch as a separate report reflecting such expenses is submitted to the Bureau periodically.

6. Meetings Attended and Other Activity

CPUSA Finance Committee (Reserve Fund) 1 (informal)

7. Reports Submitted

For security reasons, as previously explained to the Bureau, NY 694-S does not furnish written reports or oral reports reduced to writing and signed by the informant. The reports of NY 694-S, which approximate 125 for the pertinent period, are disseminated to the Bureau, other field offices, and pertinent NYO files as the nature thereof requires, that is, by teletype, airtel, letter, or memorandum.

NY 134-91A

8. Information Furnished of Unusual Value

The informant reported concerning funds furnished to the CPUSA by Soviet sources.

The informant reported the desire of the Soviets for closer liaison with the CPUSA.

9. Approximate Number of Persons Concerning Whom Informant Reported and Their Importance

In his role of secret member of the CP, acting as a member of the CP Finance Committee, and liaison with the Canadian CP, NY 694-S reported principally concerning the operations of top-level CPUSA leaders, and concerning CP policy as revealed to him by said leaders. He also reported contact with a Soviet, and with a Canadian CP courier. In the current pertinent period he has reported contact with thirteen such individuals.

10. Informant's Potential for Advancement

From the standpoint of obtaining valuable information concerning CP policy and top-level operations, the informant's position is ideal. For him to seek any other CP post would militate against his obtaining the important and varied information he now secures. His objective is to extend his field of operation in the position he now holds in the CP.

11. Stability and Reliability

No personal weaknesses, indications of instability, untrustworthiness, unreliability, or of similar problems, were noted during the pertinent period. Much of the information furnished by the informant has been verified.

12. Indoctrination Against Disclosure

Every opportunity has been taken to properly indoctrinate the informant against making any disclosure of his relationship with the Bureau.

13. Action Taken on Information Furnished

All necessary action has been taken, and the information has been properly channelized.

NY 134-91A

14. Miscellaneous

Information obtained from NY 694-S has been furnished to the Bureau under appropriate captions.

There is currently on deposit in a special account at the Emigrant Industrial Savings Bank the sum of \$6982.22, of which \$582.22 is accrued interest.

The informant's cover company office continues to be essential to his maintaining contact with CP functionaries and to the cover operation itself.

DIRECTOR, FBI (100-415964)

5/5/61

SAC, NEW YORK [REDACTED] (ADM)

b7D

[REDACTED]
ReNYlets to Bureau, 4/6 and 27/61.

Background

On 4/26/61, the informant concluded arrangements incident to purchase of a new cooperative apartment in an apartment house at 30 Sutton Place, New York City. He and his family will move to the new location in September, 1961.

[REDACTED]

[REDACTED]

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Development, Progress and Contacts

NYlet to Bureau dated 4/27/61 reflected the results of the meeting between [REDACTED] NY 694-S* on 4/26/61.

On 5/3/61, the informant authenticated reports covering the above-mentioned meeting and a previous meeting between [REDACTED]

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On the same date, 5/3/61, the informant advised that the next meeting between NY 694-S* and him would probably take place on about 5/17/61.

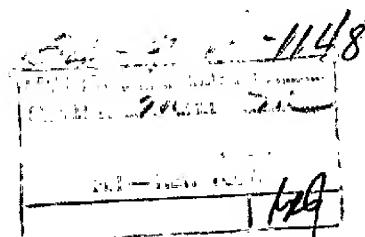
The informant is anxiously awaiting the "next move by the CP" and exhibits an increasingly deepening awareness of the intricate and complicated operations of the CPUSA and the CPSU.

The Bureau will be kept currently advised of developments in instant matter.

2 - Bureau
1 - NY 134-91
1 - [REDACTED]

{100-415964}(RM)
(ADM){41}
(ADM){41}

RJQ:msb
(4)



b7D

SAC, NEW YORK (65-17696)

5/17/61

SA JOHN A. HAAG (41)

TRACING OF SOVIET FUNDS
ESP - R

On 5/16/61, [REDACTED] received \$400.00, in the
following bills, from GUS HALL, General Secretary, CPUSA:

b7D

\$10.00 Denomination - Federal Reserve Note

<u>Serial No.</u>	<u>Series</u>
B66074602E	1950 A

\$50.00 Denomination - Federal Reserve Note

B09764351A	1950
------------	------

\$20.00 Denomination - Federal Reserve Notes

L27647070B	1934 C
L16515404B	1934 A
L20298148B	1934 B
L10020339B	1934 A
L05408349B	1934 A
L30649892B	1934 C
L27490492B	1934 C
L56865855A	1934 A
L49539043B	1934 C
L60039882A	1934 A
L32055621B	1934 C
L14112290B	1934 A
L32868744B	1934 C
L22655703B	1934 B
L19907717B	1934 B
D39513450A	1950
L49131243A	1950

1150

1 - NY 100-74560	(CPUSA-FUNDS) (415)
1 - NY 100-134637	(SOLO-SUB A) (41)
1 - NY 134-91	(ADM) (41)
1 - [REDACTED]	(ADM) (41)
1 - NY 65-17696	(341)

b7D

JAH:msb
(5)

NY 65-17696

A check of the NYO and WFO records on Soviet funds reflected that two \$20.00 notes, Serials L49131243A and D39513450A, both series 1950, of the above-described money are identical with notes received from NY 694-S* on 8/25/60. Also the \$10.00 note, above, Serial B66074602E, Series 1950A, is identical with a note received by NY 694-S* on 2/12/61.

This check of records was made on 5/17/61 by
SA's [redacted]

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201 East 69th Street
New York 21, New York
May 10, 1961

105-10153

[redacted]
United States Immigration and Naturalization Service
20 West Broadway
New York, New York

b6
b7C

Re: [redacted] aka
Security Matter - C

Dear Sir:

Reference is made to your letter dated May 1, 1961, concerning [redacted] aka, your file A-6947675-S:OHC.

This is to advise that T-1 in New York report dated December 29, 1954, by Special Agent [redacted] at New York is not available to testify,

b6
b7C

Sincerely yours,

H. G. FOSTER
Special Agent in Charge

REGISTERED MAIL

1-INS

1-NY (134-91a) *ADM*
1-NY (105-10153)

EPG:jmk
(3)

115/

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MAY 11 1961	
FBI - NEW YORK	

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DIRECTOR, FBI (100-415964)

5/16/61

SAC, NEW YORK [redacted]

[redacted]
b6
b7C
b7D

On 5/11/61, NY 694-S* advised SA [redacted] that he had learned from GUS HALL, General Secretary, CPUSA, that JACOB MORDECHAI BUDISH had been working with HALL on the "economic question."

According to NY 694-S*, BUDISH is to attend The Economic Conference in Prague, Czechoslovakia, which is to begin 5/26/61, as one of the representatives of the CPUSA.

JACOB MORDECHAI BUDISH (Bufile 100-229628), an SI subject in the NYO, is a former Editor of the English language page of the "MORNING FREIHEIT."

On 5/5/61, NY 694-S* advised SA ALEXANDER C. BURLINSON that [redacted] had figured prominently in a 5/4/61 conference between NY 694-S* and GUS HALL.

According to NY 694-S*, HALL is preparing 5 questions on economics which he wants submitted to [redacted] for discussion and comment. HALL, according to NY 694-S*, was utilizing BUDISH in the formation of these questions. BUDISH "a deep student of economics and Marxism-Leninism," will "refine and polish" the questions prior to their submission to [redacted]. HALL suggested to NY 694-S* that a meeting be arranged between BUDISH and [redacted]

b7D

NY 694-S* advised that the questions, when finally prepared, would be presented to [redacted] by NY 694-S*. NY 694-S* advised on 5/16/61 that the questions would most probably be ready for submission to [redacted] sometime during the week of 5/22-26/61.

P

- 2 - BUREAU (100-415964) (RM)
1 - NY 134-91 ADM. (#41)
1 - [redacted] ADM. (#41)

RJQ:DJG
(4)

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1152

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MAY 16 1961	
FBI - NEW YORK	

Buchanan ALB ✓

Attn

Letter to Director
Re: [redacted] Adm.

The answers to the questions would become part of a report being prepared by HALL on the U. S. economy.

b7D

The NYO is closely following the above matter, bearing in mind that in addition to the above-stated use of [redacted] answers to the questions -- inclusions in a report to be prepared by HALL -- HALL, and BUDISH may also consider using the answers to the questions as part of a briefing of BUDISH prior to his attendance at the Prague Conference.

The NYO will keep the Bureau currently advised concerning the progress of the above tentatively-planned meetings and exchange of questions.

3/24

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, NY (134-91-Adm.)

FROM : SA [redacted] (#413)

SUBJECT: NY 694-S*

DATE: 5/19/61

b6
b7c

On 5/15/61, informant advised that the potential contact time of him by his SOLO contact has been changed and should this individual desire to contact him, he will call informant's office at 12:00 noon.

The code message utilized between informant and his contact remain the same.

Informant reported that during a recent contact with this individual, he was told that the building in which he now has his office had been watched very closely for many weeks, and, in fact, he had been seen talking to several people in the lobby, one of whom was a woman who the contact asked informant if she was identical with MARY KAUFMAN. Informant stated he had no answer other than this was not KAUFMAN and it was his impression, which he told the contact, that it was probably a fellow tenant of the building.

1 - NY 100-134637 (SOLO) (41)
P - NY 134-91-Adm. (41)

TMW:gmg
(2)

JW

134-91-1153

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SERIALIZED	FILED
MAY 19 1961	
FBI - NEW YORK	

Burkman ACB

DIRECTOR, FBI (100-415964)

5/25/61

SAC, NEW YORK [REDACTED] (ADM.)

[REDACTED]

ReNYlet, 5/16/61, particularly page 1, paragraph 5 thereof, reflecting that GUS HALL was preparing questions on economics which he desired to be submitted to [REDACTED] for discussion and comment.

b7D

On 5/24/61, NY 694-S made available to the NYO the following questions which were furnished to him on the aforesaid date by GUS HALL for submission to [REDACTED]

SOME ECONOMIC PROBLEMS
EARLY 1961

Economic Growth

Retardation of economic growth-as compared with pre-war rates in the United States and with present rates of growth in Western Europe and Japan.

Reasons for? Is "growth gap" due to special temporary passing circumstances or to structural weaknesses? (Burns-Miller dispute is partly based on different approach to this problem).

Acceleration of concentration and centralization of capital-mergers, absorptions, holding companies for banks, etc.; is proportion of total economy controlled by monopoly increasing and to what extent? What part, if any, has this process played in retarding economic growth?

To what extent may the significantly greater rate of economic growth of West Germany, Japan, etc. be attributed to the fact that these countries diverted a much smaller portion of their GNP to defense (production of military equipment, maintaining of military bases abroad, etc.) than

2-Bureau (100-415964) (RM)

1-MW 124-01

(ADM.) (41)

(ADM.) (41)

ACB:unc
(4)

b7D

104-71A-1154

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FBI - NEW YORK	

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[Redacted]

the United States? To what extent did that enable the economies of Western Europe and Japan to invest a much larger share of their GNP in new plant and equipment?

Did the bloating of our war industries creat an imbalance in the economy, and if so, to what extent?

Effective Demand

The general approach of American business economists is that:

National economic policy must be directed at providing enough demand in the aggregate to support a high and growing level of production and employment while avoiding inflation.

(Chase Manhattan Bank statement)

President KENNEDY and his Council of Economic Advisors seem to adhere to the above position in fashioning their economic policies.

Effective demand obviously depends on 1) capacity of domestic market and 2) capacity and U.S. share of world market.

Domestic Market

What balance between consumer demand and business investment should be considered as most desirable and adequate, and how is such balance to be achieved?

Consumer Demand

Is the present ratio of consumer purchasing power to the productivity of labor adequate to provide a high and growing level of domestic demand? and how has the ratio of the relative rates of growth of purchasing power and labor productivity affected the capacity of the domestic market? To illustrate: output per worker in manufacturing increased 1955 to 1960 by over 30%; purchasing power of the workers increased by less than 1% - how does this fact effect domestic

[redacted] b7D

demand? How does the declining purchasing power of the farming population affect the capacity of the domestic market? What part is played by the increase in prices or the so-called creeping inflation in the imbalance of the economy, and how is it affected by "administered prices"?

Business Investments

Could fiscal policy-high depreciation allowances, reduced business taxes, etc.-serve as a real incentive for increased business investment as long as industry is operating even in prosperous years at about 80% of capacity? How would the fact that about three-quarters of total business investments go for modernization rather than for expansion affect the volume of employment? and wouldn't a further cut in the labor cost and number of employees result in a further shrinking of the domestic market?

Foreign Markets

What is the significance of the approach that apparently prevails in some influential sections of business to the effect that,

Our ability to increase exports determines whether (and by how much) America's national income can grow: it can only grow less-and quite a bit less-than U.S. exports. The international economy, not the domestic economy, sets the limitations on U.S. (economic) growth and prosperity and is the determining area of economic performance.

[redacted] Harvard)

b6
b7C

Does this approach imply that business sees no way of significantly increasing the capacity of the domestic market? Is business unaware of the growing competition U.S. must meet on the world market? Or does it imply that the U.S. must use its power to secure for itself an increasingly greater share of the world market?

[Redacted]

What is the significance of the fact that the U.S. share in industrial production of the capitalist world has declined from over 56% in 1948 to less than 47% in 1960, and that it is now only slightly higher than it was in the pre-war period (41% in 1937)? Shouldn't the relatively more rapid rate of growth of industrial production in Western Europe and Japan be considered as an indication that U.S. share of total industrial production of the capitalist world is due to continue to decline? Isn't this bound to affect unfavorably the U.S. share of the world market?

What is the significance of the fact that the U.S.A. share of total exports from capitalist countries declined from 32% in 1937 to about 18% in 1960, and that in 1960 its share was only slightly greater than it was in 1937-14.2%? What is the significance of the fact that the share of Western Europe, on the other hand, increased from 24% in 1947 to 43% in 1960, and that in 1960 it was greater than in 1937 when it was slightly less than 43%.

Wouldn't the formation of the "Common Market" headed by Germany and of the "Outside Seven" grouping, headed by Britain, affect unfavorably American exports to Western Europe?

Isn't American policy of non-coexistence with socialist countries jeopardizing its share of the growing markets of the U.S.S.R., China and the other socialist countries? (Canada just sold nearly \$426,000,000 worth of grain to China while the U.S.A. with its huge surplus stocks of grain would have no truck with socialist China).

Isn't the U.S.A. meeting with increasing competition from Western Europe, especially West Germany, and from Japan both in Asian-African countries and especially in Latin America? both in the exports of goods and in the export of capital?

Isn't it a fact that U.S. exports to Latin American countries have been declining since 1957? and that the non-coexistence policy with revolutionary Cuba cut off a market of over \$600,000,000 (in 1957) for U.S. exports? Didn't American investments in Latin America decline nearly a billion dollars during the last two years to about \$8 billion in 1960?

b7D

[redacted]

NY 694-S advised that in the near future he would try to arrange an appointment with [redacted] so that he might submit the above questions to the latter. The Bureau will be advised of all further developments in this matter.

SAC, NEW YORK (100-134637 *But B*)

5/19/61

SA [redacted] (#413)

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SOLO
IS - C

In connection with the SOLO meet between NY 694-S* and VLADIMIR BARKOVSKY held on 5/8/61, informant advised on 5/9/61 that he had originally tried to contact BARKOVSKY at his home on 5/6, 7/61; up to the hour of 11:30 p.m. on 5/6/61 and to 11:15 p.m. on 5/7/61. He was able to telephonically contact him on 5/8/61, at 7:30 a.m., and his contact with BARKOVSKY, during which he used the code message, "Is this the repair shop?--please send a man right over. Our fuses blew out and we are without light and power," is as follows:

BARKOVSKY then said that the caller had the wrong number, whereupon he was again asked, "Isn't this the repair shop?" Informant then stated he was sorry and hung up.

With this message, previous arrangements are effected, which are that the informant goes to the Town House Restaurant, 138-39 Queens Blvd, Jamaica, N.Y. He enters this establishment twenty minutes before the hour of 7:00 p.m. and will then leave precisely at 7:00 p.m., by the left door of the restaurant. He then turns left to the corner of 139 St. and turns left to the next corner and then proceeds left and keeps walking until BARKOVSKY catches up with him and stops him. Informant stated if he is not stopped he always continues walking until he (BARKOVSKY) catches up with him and stops him.

On 5/8/61, he stated, he followed this procedure and kept walking until he saw BARKOVSKY coming from a side street in the opposite direction. He did not look at him but kept right on walking with BARKOVSKY on one side of the street and informant on the other, approximately 100 paces apart.

- 1 - NY 134-91 (ADM.) (41)
1 - NY 65-15026 (VLADIMIR BARKOVSKY) (341)
1 - NY 100-134637 (41)

TMW:gmg
(3)

(*Cut-B*)

1155

NY 100-134637

This kept up for approximately 20 minutes, with BARKOVSKY occasionally looking behind him to see if anyone was following him and also looking into each car which passed his way.

Upon reaching Hillside Avenue and 143rd St. in Queens, BARKOVSKY stopped, which was the signal that informant should walk to him. He asked informant if he had much to say and if he had the time, whereupon informant advised him he had about ten minutes or longer and it was up to him if he wanted to get something to eat or not.

They then started walking, crossing Hillside Ave. toward Sutphin Blvd., Queens, NY, proceeding toward the BMT subway. At the subway, they took the train and rode for about three stations, and when BARKOVSKY was sure that no one got off the train who got on the train at the same station as they did, he got off the train and waited until everyone had left the platform before walking down the stairs. After leaving the subway, they walked to the corner of Myrtle, near Hillside Ave., and the corner of 117th St., Richmond Hill, N.Y., observed the neighborhood and went to the Salerno Restaurant at 117-11 Hillside Ave., Richmond Hill, N.Y. They remained there for forty minutes, with BARKOVSKY leaving the establishment before informant.

The above is being submitted for the info of the file.

CITY New YorkDATE 5-31-61Request of Special Agent in Charge, FBI, New YorkOne Hundred dollars, and — cents,(\$ 100⁰⁰), which money is to be paid by me on 6/15/61
to W.Y. 694-5 Special account in name of J. G. Foster and
A. J. McClellan at Empire Industrial Savings Bank, N.Y.C.for information concerning the case entitled CPW 5 A - 15-C (100-4931)By letter dated 1-26-56 the Bureau authorized the NYO to
deposit \$100⁰⁰ per month in the bank for the benefit of the
informant, the total to be paid to him upon termination of his
service.Signed: Alexander C. Burlinson
Special AgentAuthority (date) Bullet 1-26-56Period Covered by Payment 5/1-31/61Authorization Checked YesCheck Number 1428-611/61Receipt Received ✓Voucher Prepared 6/8/61 Item 34b6
b7c

Approved:

Informant's File No. 134-91A-1156

ASAC

Deposit

Date of Actual Payment 6/5/61

By Whom

A. C. Burlinson

Searched _____

Serialized ED

Indexed _____

Filed ED

CITY New YorkDATE 5-31-61Request of Special Agent in Charge, FBI, New YorkOne Thousand Two Hundred Fifty Seven dollars, and — cents,(\$ 1257⁰⁰), which money is to be paid by me on 6/1/61to NY 694-5for information concerning the case entitled CPN 5 e - 15-e (100-4931)Signed: Alexander C. Burlinson
Special AgentAuthority (date) (NY letter 1-9-61, Bureau approval 1-13-61)5/1-31) 61 - Service : 1100⁰⁰Period Covered by Payment 6/1-30) 61 - Cover Co. Office 157⁰⁰

Activity
 Informant continues to furnish
 on a daily basis information
 concerning top CP as a
 leadership activities and
 CPN 5 e funds.

Authorization Checked ✓
 Check Number 1424-61/61
 Receipts Received 6/1/61
 Voucher Prepared 6/12/61 Item 8

Approved:

J. H. M. Lake
SACInformant's File No. 134-91 A-1157Date of Actual Payment 6/1/61 By Whom A. C. BurlinsonSearched II
Serialized II
Indexed II
Filed IIb6
b7c

4/19

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, NEW YORK (134-91) DATE: 6/8/61

FROM : SA [redacted] (#413)

b6
b7C

SUBJECT: NY 694-S*

On 5/16/61, ASAC [redacted] received a telephone call from Supervisor CARL N. FREYMAN of the Chicago Division, who advised that CG 5824-S* desired the following message relayed to NY 694-S*.

NY 694-S* was to tell GUS HALL, General Secretary of the CPUSA, that ELIZABETH GURLEY FLYNN is still in Chicago, being quite ill with bronchitis, and she would remain there for another three or four days.

While there, FLYNN will try to see [redacted]
[redacted] who is quite ill.

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On the same date, the above information was furnished by SA [redacted] to NY 694-S*, who advised that he would take this matter up with GUS HALL that date.

Jem
1 - New York (134-91) (ADM) (415)
TMW/jem
(1)

134-417-1158

SEARCHED	INDEXED
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FBI — NEW YORK	

RCB

CITY New YorkDATE 6-14-61Request of ^{Assistant} Special Agent in Charge, FBI, New YorkTwo Thousand dollars, and — cents,(\$ 2000⁰⁰), which money is to be paid by me on 6/15/61to N Y 694-5for information concerning the case entitled CP 284- 15-C

N Y 694-5 has requested \$200⁰⁰ for payment of cash company expenses, including running expenses of the Chicago branch of the Cash Company.

Signed: Alexander C. Burleson
Special AgentAuthority (date) Bullet 1-30-61Period Covered by Payment 6/14/61 - 12/31/61

Bullet 1-30-61 authorized expenditure of \$411.32 as budget of cash company for year 1961.
This has been one previous payment (\$200⁰⁰) during 1961 in the sum of \$200⁰⁰

Authorization Checked yesCheck Number 1562 - 6/15/61Receipts Received 6/15/61Entered Prepared 6/20/61 Item 24Approved: Informant's File No. 134-91A-1159Date of Actual Payment 6/15/61 By Whom A. C. Burleson

SEARCHED INDEXED
SERIALIZED FILED

b6
b7c

6/21

UNITED STATES GOVERNMENT

Memorandum

TO : SAC *New York (134-91A)*

FROM : SA *A. G. Burlin*

SUBJECT: *NY 6945*

DATE: *6-21-61*

CI SI
 PCI PSI

Dates of Contact	<i>6-16-61</i>	<i>100-145145</i>
Titles and File #s on which contacted		
	<i>100-144494</i>	<i>100-107522</i>
	<i>100-53507</i>	<i>105-13436</i>
	<i>100-144868</i>	<i>100-64662</i>
	<i>100-58536</i>	<i>100-86094</i>
	<i>100-88546</i>	<i>100-144651</i>
	<i>100-32646</i>	<i>100-144741</i>
Purpose and results of contact		
<input type="checkbox"/> Negative	<i>100-144867</i>	<i>100-144989</i>
<input type="checkbox"/> Positive	<i>100-144803</i>	<i>140-11933</i>
	<i>100-26448</i>	<i>100-136435</i>
	<i>97-2009</i>	<i>100-145047</i>
	<i>100-80528</i>	<i>105-4608</i>
	<i>100-117542</i>	<i>105-45905</i>
	<i>100-144806</i>	<i>100-145190</i>
	<i>100-144484</i>	<i>105-48525</i>
	<i>100-40503</i>	<i>100-13570</i>
	<i>65-15028</i>	<i>100-63071</i>
	<i>100-70535</i>	<i>100-79986</i>
	<i>100-144223</i>	<i>100-145115</i>
	<i>100-67418</i>	<i>100-145128</i>
	<i>100-111800</i>	<i>100-145127</i>
	<i>100-47493</i>	<i>100-64289</i>
		<i>100-88826</i>
		<i>105-7324</i>
		<i>100-144857</i>
<input checked="" type="checkbox"/> Security Informant certified that he had furnished all information obtained by him since last contact.		
Personal Data	Rating: <i>Excellent</i> Coverage: <i>CPIUSA</i>	

1 - _____

1 - _____

Chief Clerk

Post: *WTR*

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JUN 21 1961	
FBI — NEW YORK	

*KRM**134-91A-1160*

DIRECTOR, FBI (100-415964)

6/23/61

SAC, NEW YORK [redacted]

b7D

[redacted]

ReNYlet to Bureau, 5/16 and 25/61.

Background

Because of his wife's illness coupled with his inability to obtain adequate reliable summer domestic help, [redacted] will not move his family to their summer residence at Montroso, NY. Instead, he and his family will make frequent weekend trips to the summer residence.

b7D

Progress, Development and Contacts

Regular contact is being maintained with [redacted]. He is being contacted concerning appropriate general informant matters in the NYO in addition to the special emphasis being placed on furthering his association with the CP hierarchy.

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NY letter to Bureau dated 5/25/61, referred to above, reflected that NY 694-S* on 5/24/61, had made available to the NYO certain questions prepared by GUS HALL for submission to [redacted] for discussion and comment.

b7D

On 6/4/61, NY 694-S* met with [redacted] and presented him with the questions together with a request that he withhold answering them until NY 694-S*' return from a "trip to the West Coast" which would take about three weeks.

In addition to presenting the questions, NY 694-S* advised, on 6/15/61, that he had "felt out" [redacted] concerning bringing [redacted] together with certain U.S. economists and also bringing [redacted] together with other "new" economists. NY 694-S* described these "new" economists as being not of the "old" VARGA school (a leading Soviet economist a decade or two ago), but a younger generation, the "new" school,

b7D

- P
2 - Bureau (100-415964) (RM)
1 - NY 134-91 (ADM) (41)
1 - [redacted] (ADM) (41)

RJQ:ml
(4)

100-415964-1161

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FBI - NEW YORK	

b7D

[Signature]

com

[redacted]

NY 694-S* advised that [redacted] was quite receptive to NY 694-S*' ideas concerning meeting with the "economists", given proper security and cautionary preparation, and stood ready for the next contact by NY 694-S* at which time he, [redacted] would have answers prepared to the questions given him by NY 694-S*. b7D

NY 694-S* stated that although he had not actually used the term "Russian economists" or "Soviet economists" in his discussions with [redacted] he was nevertheless sure that [redacted] had made the proper distinction between these newly-mentioned economists and the American, CP oriented, economists the two had discussed previously. NY 694-S* stated that he was very pleased with the meeting with [redacted] considered him a "very brilliant individual" - they had discussed the possibility of the Soviet Union flooding the world oil market - and was looking forward eagerly to further meetings with [redacted] personally and especially to bringing [redacted] together with the economists mentioned during their last meetings. b7D

NY 694-S* advised that if and when an appropriate opportunity should arise during his current trip abroad he will mention [redacted] name as a brilliant American capitalist available for mutually beneficial contact with appropriate Soviet personnel.

On 6/15, 19/61, [redacted] reported concerning his meeting with NY 694-S*. [redacted] made available the questions received from NY 694-S* and stated that he would prepare answers for his next meeting with NY 694-S* which would take place in about three weeks. b7D

[redacted] stated that the questions had come from the CPUSA hierarchy, that NY 694-S* had not been more specific concerning their origin and that although NY 694-S* probably had taken some part in their preparation, they most probably had been prepared by someone quite conversant and learned in matters of world economics and finance.

[redacted]
[redacted] stated that he considered his meeting with NY 694-S* to be a particularly good one principally because they had gotten into a discussion concerning possible future meetings between [redacted] and Soviet economists.

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[redacted] mentioned that NY 694-S* had noted that meetings between [redacted] and Soviet economists could, professionally speaking, be mutually beneficial. [redacted] stated, in an aside, as he had stated in the past, that his association over the years with Communists had never benefited him one bit professionally as a market analyst and economist.

[redacted] stated that although NY 694-S* never used the term Russian or Soviet, he clearly understood that NY 694-S* envisioned future meetings between [redacted] and certain younger generation Soviet economists.

NY 694-S*, according to [redacted] also mentioned that he desired that [redacted] meet "as soon as possible" after NY 694-S*' return from "the West Coast" with the American (CP oriented) economists that the two had discussed previously - [redacted] VICTOR PERLO.

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[redacted] expected that his next meeting with NY 694-S* would be in about the middle of July, 1961.

[redacted] advised that in assenting to NY 694-S*' desires that he meet with Soviet economists he had tried to appear not too overly anxious lest he become "known" to NY 694-S*, and, further, that he had stressed with NY 694-S* the need for the utmost security if and when such meetings should take place.

[redacted] stated that he had not been contacted by [redacted] since [redacted] had arranged the initial meetings between NY 694-S* and [redacted] was obviously a mere "go-between", according to [redacted]

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[redacted]

On that point, it may be noted, that [redacted] had been instructed by his contacting agent to soft pedal his contacts with [redacted] an inferior underling, not particularly well-liked by NY 694-S*, and stress his contacts with NY 694-S*, an individual with high echelon, valuable CP contacts. It may be noted further that NY 694-S* would have had trouble discretely dissuading [redacted] from contacting [redacted] inasmuch as he had persuaded [redacted] to make the initial contacts in the first place.

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NY 694-S* advised on 6/15/61, that [redacted] would not be "bothering" [redacted] anymore because, according to NY 694-S*, [redacted] had given [redacted] a stock "tip" which [redacted] certainly passed on to his customers and which dropped three points three days after [redacted] had received it.

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Apparently [redacted] had used his unusually effective professional way of casting off [redacted] a customers man.

Concerning HERMAN WALLACH, [redacted] advised that WALLACH occasionally contacts him, professionally and socially, but continues to steer completely away from any discussion of Communists or Communism.

The Bureau will be kept advised of developments in this matter as directed.

7/7/61

AIRTEL

REGISTERED MAIL

TO: DIRECTOR, FBI (100-428091)
FROM: SAC, CHICAGO (134-46 Sub B)
SUBJECT: SOLO
IS - C

Since the commencement of the current SOLO mission on 6/17/61, by NY 694-S*, the Chicago Office has been maintaining almost constant contact with CG 5824-S* so as to be alert to all possible developments in this matter. All mail drop boxes maintained by the Chicago Office for the source have been monitored on at least a twice a day basis and on weekends.

Since the receipt of the 2 communications from Prague dated Tuesday (6/20/61) from NY 694-S*, one of which was received directly by the source and the other through the Chicago mail drop, no subsequent communication has been received by the source from him. The communications of Tuesday, 6/20/61, indicated that NY 694-S*'s departure from Prague to Moscow was imminent. The elapsed time since departure from Prague would have placed NY 694-S* in the Soviet Union in excess of 18 days.

CG 5824-S* on 7/1/61, was in contact with NY 694-S*'s wife in New York City and as of that date, no subsequent word had been received by her from the source.

Telephonic contact with the New York Office on 7/7/61, indicates that office has no current information indicating current status of NY 694-S* while abroad.

- 3 - Bureau (RM)
2 - New York (RM)
 (1 - 100-134637)
 (1 - 134-81) (ADm)
1 - Chicago

RWH:Plb
(6)

1162

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JUL 10 1961	
FBI — NEW YORK	
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CG 134-46 Sub B

Although at the present time because of this lapse in communication CG 5824-S* is expressing some anxiety, though no panic, the Chicago Office desires that the Bureau be informed of this situation. The source feels that it is entirely possible, based on his past experience while abroad, that since NY 694-S* is traveling under covert conditions, that the Soviets may be keeping him completely under wraps which would prevent outside communication.

The above is being furnished for the information of the Bureau.



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6 6 712

DIRECTOR, FBI (100-340711)

7/11/61

SAC, NEW YORK (134-91A)

NY 694-3*

CG 5324-3*

ReWlet 4/13/61, setting out the financial statement
for the cover company for the period 1/1/61 to 3/31/61.

The current financial statement for the period of
4/1/61 to 6/30/61 is now due. Due to the fact that NY 694-3*
is not available, it will not be possible to submit this
statement at this time. NY 694-3* return is expected
momentarily but preferential treatment will be given to
obtaining information concerning his current trip. After
that information is received, the material involving the
financial statement will be obtained. It is hoped that it
will be possible to submit this statement sometime within
the next 30 days.

- 3 - BUREAU (100-340711) (RM)
(1 - 61-2661)
- 2 - CHICAGO [REDACTED] (RM)
(1 - 134-40)
- 1 - NEW YORK 66-6969 (ADM) (#1)
① - NEW YORK 134-91A (ADM) (#1)

b7D

WTM: DJS
(7)

BL-91A-1163

Searched _____
Serialized _____
Indexed _____
Filed _____

ANOM 64m

UNITED STATES GOVERNMENT

Memorandum

TO : SAC (134-91)ADM

DATE: 7/11/61

FROM : SUP. [redacted] #41

b6
b7C

SUBJECT: NY 694-S*

Effective 7/11/61, SA GEORGE EDWIN JONES is being
designated as the alternate agent to contact this informant.

*Informant will be charged
with*

WTM:DJG

1164

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 11 1961	
FBI - NEW YORK	

Bartman [initials]

CITY New YorkDATE 6-31-61Request of Special Agent in Charge, FBI, New YorkOne Hundred dollars, and _____ cents,(\$ 100), which money is to be paid by me on 7/10/61
 Speacial account in name of N. A. Foster and R. H. Melde
to NY 694-5) at Empire Industrial Savings Bank, N.Y.C.for information concerning the case entitled CPUSA - 15-C (100-4981)

By letter dated 1-26-56 the Bureau authorized the N.Y.O.
to deposit \$100 per month in the bank for the benefit of
the informant, the total to be paid to him upon termination
of his service.

Signed: Alexander C. Burleson
Special AgentAuthority (date) Bullet 1-26-56Period Covered by Payment 6/1-30/61Authorization Checked ✓Check Number 1697-312/61Receipts Received 7/10/61Voucher Prepared 7/13/61 Item 17Approved: Alfred Edward JonesP. W. McNeInformant's File No. 134-91A-1165Date of Actual Payment 7/10/61 By Whom A. C. BurlesonSearched _____
Serialized A _____
Indexed _____
Filed A _____

CITY New YorkDATE 6-30-61Request of Special Agent in Charge, FBI, New YorkOne Thousand Two Hundred Fifty Seven dollars, and — cents,(\$ 1257 ⁰⁰), which money is to be paid by me on 7-14-61to N.Y. 694-5for information concerning the case entitled CPUSA-15-c (100-4931)Signed: Alexander L. Burlinson
Special AgentAuthority (date) N.Y. letter 5-5-61. Bureau approval 5-16-61.6/1-30/61 - Service: \$100 00Period Covered by Payment 7/1-31/61 - Cover Co. Office 157 00

Activity
 Informant continues to furnish
 on a daily basis information
 concerning top CPUSA leaders
 and their activities and especially
 funds.

Authorization Checked YesCheck Number 1696 - 7/3/61Receipts Received 7-14-61Voucher Prepared 7/27/61 Item 15Approved J. A. J. M. Cole

J. A. J. M. Cole
 SUPERVISOR
 ASAC

Informant's File No. 134-91A-1166Date of Actual Payment 7-14-61 By Whom A. L. Burlinson
 Searched 16
 Serialized 16
 Indexed 16
 Filed 16

7/25/61

AIRTEL

REGISTERED

TO: DIRECTOR, FBI (100-340711)
FROM: SAC, NEW YORK (134-91A)
SUBJECT: NY 694-S*

As the Bureau is aware, NY 694-S* went abroad on 6/18/61 and returned to the United States on 7/13/61. While abroad, he contacted important functionaries in Moscow and Prague. While there, he obtained most valuable information concerning matters of international as well as local interest. Further, in view of his informant status, he placed himself in considerable personal danger in order to obtain this valuable information. Despite the fact that he had been away from his wife and children for an extended period of time, the informant, upon his arrival in New York, made himself available for interview to furnish the highlights of this trip. In addition, he spent the first weekend correlating the information as a result of his having destroyed his notes for security reasons. He then dictated all the information obtained by him on this trip. He did this even though he had numerous personal problems which normally would demand his attention.

In view of the great personal risk involved in this trip, the obtaining of most valuable information, and the submission of this information in record time, it is recommended that the Bureau may desire to express its appreciation to the informant for these unusual services rendered by an award in the amount of \$1000.00.

3 - Bureau (100-340711)
1 - NY 134-91A

WTM:MEW
(5)

134-91A-1167

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 3 1961	
FBI — NEW YORK	

WTM

DIRECTOR, FBI (100-340711)

8/4/61

SAC, NEW YORK (134-91A Adm.)

NY 694-S*

ReBulet 7/31/61.

On August 3, 1961, I personally presented to NY 694-S* the letter from the Director. After he read the Director's letter, I then presented him with the \$1,000. NY 694-S* was most appreciative of the generosity of the Director for his comments in the letter, as well as the award. He was very laudatory of the Director and it was quite evident that he holds the Director in the highest esteem. He commented concerning the great organization that the Director has developed, which was further impressed upon him during his contact with the Russians, as a result of which he determined their fear of this organization.

NY 694-S* requested that I convey to the Director his many thanks and he stated that he hoped that he will over the coming years be able to be of continuing service to the organization. It was my impression in talking with this informant that he was sincere in his comments and was most appreciative of what the Director has done for him.

The letter directed to NY 694-S* is being retained in the safe in this office, per Bureau instructions.

2 - BUREAU (RM)
1) - NEW YORK (134-91A Adm.) (#41)

HGF:DJG
(3)

134-91A-1168

8/4/61
SAC
FBI - NEW YORK

JAGM Wm

CITY New YorkDATE 7-31-61Request of Special Agent in Charge, FBI, A. C. Burlison, New York.One Thousand Two Hundred Fifty Seven dollars, and — cents,(\$ 1257 00), which money is to be paid by me on 8/1/61to # 21694-Sfor information concerning the case entitled CPUSA - 15-C (100-4931)Signed: Alexander C. Burlison
Special AgentAuthority (date) NY letter 5-5-61 Bureau approval 5-16-617/1-31/61 - Service: 1100 00Period Covered by Payment 8/1-31/61 - Contra. Office: 157 00

Activity
 Informant continues to furnish on a daily basis information concerning top CPUSA leadership activities and CPUSA funds.

Authorization Checked Yes
 Check Number 1965 - 8/1/61
 Receipts Received 8/1/61
 Voucher Prepared 8/4/61 Item 39

Approved G. J. McCall
SACInformant's File No. 134-91A-1169Date of Actual Payment 8/1/61 By Whom A. C. BurlisonSearched _____
Serialized R _____
Indexed _____
Filed a _____b6
b7c

CITY New YorkDATE 7-31-61Request of Special Agent in Charge, FBI, New YorkOne hundred dollars, and — cents,(\$ 100⁰⁰), which money is to be paid by me on 8/4/61
Spent account in name of H. J. Foster and H. H. McCall
to A#16945, at Emigrant Industrial Savings Bank, N.Y.C.for information concerning the case entitled CPA 5A-15-C (100-4931)

By letter dated 1-26-56 the Bureau authorized the N.Y.O.
to deposit \$100 per month in the bank for the benefit of
the informant, the total to be paid to him upon termination
of his services.

Signed: Alexander C. Burleson
Special AgentAuthority (date) Bullet 1-26-56Period Covered by Payment 7/1-31/61Authorization Checked yesCheck Number 1961C-8/1/61Receipts Received deposited 8/4/61Voucher Prepared 8/9/61 Item 31b6
b7c

Approved:

Informant's File No. 134-91A-1170

SAC

Date of Actual Payment 8/4/61 By Whom A. C. BurlesonSearched _____
Serialized P _____
Indexed _____
Filed P _____

SAC, New York (100-134637)

July 31, 1961

Director, FBI (100-425001)

PERSONAL ATTENTION

Solo

INTERNAL SECURITY - C

The Bureau feels that the outstanding contributions afforded to the success of captioned operation by NY 694-S* are deserving of special recognition. There is enclosed an appropriate letter addressed to the informant under his true identity. You are to personally deliver this letter to the informant and afford him the opportunity to read it. The letter should then be brought back by you to the New York Office where it is to be retained in the safe. Under no circumstances are you to relinquish control of this letter at any time.

In addition to the above, the Bureau feels that the manner in which the informant discharged his duties in connection with Solo mission number nine is deserving of recognition in the form of a cash award over and above his authorized remuneration. At the time the above-mentioned letter is delivered to the informant authority is granted herewith to furnish him a cash award in the amount of \$1,000.

Any pertinent observations which you may have relative to the reaction of our informant to this letter and cash award should be made available to the Bureau.

Enclosure

100-91A-1171

7/31/61 Requested 100-134637
9-613.

WHD

CITY New YorkDATE 8-3-61Request of Special Agent in Charge, FBI, New YorkAssistant
One Thousand dollars, and — cents,(\$ 1000⁰⁰), which money is to be paid by me on 8/3/61to NY 694-5for information concerning the case entitled CPUSA- 15-CCash award.Signed: Alexander B. Burlinson
Special AgentAuthority (date) Bullet 7-31-61Serv
ReePeriod Covered by Payment 8-3-61Authorization Checked YesCheck Number 2004-8/3/61Receipts Received MSOther Prepared 8/17/61 Item 6Approved [Redacted]SUPERVISORb6
b7cNorman L. De Cole ASAC Informant's File No. 134-91 A-1172Date of Actual Payment 8/3/61 By Whom A. C. BurlinsonSearched JD
Serialized JD
Indexed JD
Filed JD

UNITED STATES GOVERNMENT

SAC
ASAC 1

Memorandum

TO : SAC (134-91 Adm.) (#41)

FROM : SA GEORGE EDWIN JONES, #41

SUBJECT: NY 694-S*

DATE: 8/10/61

Confidential mail box #209 at the Church Street Post Office was obtained by SA [redacted] for the use of NY 694-S*. This box is in the name of [redacted]

[redacted] This post office box was obtained in order that informant may receive mail from the Cuban CP and mail sent to the informant from the Canadian CP.

The box is paid through 9/30/61.

Sub

1 - 66-7136

GEJ:DJG
(2)

134-91 Adm 1-1173

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 10 1961	
FBI — NEW YORK	

Loren

UNITED STATES GOVERNMENT

Memorandum

TO : SAC NY (134-91 ADM)

DATE: 8-11-61

FROM : SA Alexander Sankowski

CI SI

PCI PSI

SUBJECT: NY 694-5*

Dates of Contact 8-10-61			
Titles and File #'s on which contacted			
<hr/> <hr/> <hr/> <hr/>			
Purpose and results of contact			
<input checked="" type="checkbox"/> Negative	100-80992.	100-13448	100-144990
<input type="checkbox"/> Positive	100-145012.	100-76253	100-144991
	100-145091	100-20128-	100-144992
	100-145385	100-144236	100-144756
	100-82507	100-46091	100-144753
	100-47720	100-113554	100-145599
	100-145252	100-144117	100-166324
	100-145249	100-145538	100-46085
	100-145308	100-121689	100-145414
	100-145357	100-145276	100-145412
	100-146885	100-145566	100-145413
	100-144786	100-145135	100-145411
	100-48851	100-145285	100-145417
	100-145151	100-145151	100-145419
		140-12117.	
<p><input checked="" type="checkbox"/> Security Informant certified that he had furnished all information obtained by him since last contact.</p>			
Personal Data		Rating Ex	
		Coverage CP & EG	

1 - _____
1 - _____

Chief Clerk
Post 41
Concert 8/11/61

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 11 1961	
FBI - NEW YORK	

134-31A-1174

100-145418	140-12131	100-75428.
100-145416	100-108208	100-51949.
100-145415	100-13326	105-38673.
140-12117	[redacted]	100-46846.
100-86727	100-145776	105-15416.
100-145249	100-145368	[redacted]
100-145620	105-49719	100-145890
100-145641	100-133591	100-48746.
[redacted]	105-49037	100-145836.
140-12117	97-1162.	100-57446.
[redacted]	105-50004	105-49999.
105-50003	100-145750	100-145373
100-145600	100-145601	100-145602
100-145603	100-145604	100-145851
100-145811		

b7D

DIRECTOR, FBI (100-340711)

8/17/61

SAC, NEW YORK (134-91A)(41)

NY 694-S*
CG 5824-S*

ReNYlet, 7/11/61, advising that owing to NY 694-S*' being abroad, it would not be possible to submit a cover company financial statement, but that it was hoped that the said statement could be submitted within 30 days.

The informant advises that owing to his activities since his return from abroad, and his present state of physical exhaustion (he has had a recurrence of bleeding from the ears and lungs), he has been unable to assemble and to submit to the NYO, the information necessary for the preparation of the aforesaid financial report. Further complicating his situation is the fact that for the past several weeks he has been moving his office from room 2043 to room 1725 at 30 Broad Street, NYC. This move became necessary because a new building in process of construction had shut off the light and air from his office.

NY 694-S*' physician has ordered that he take several weeks rest, in bed, if possible, and the informant therefore plans to be on vacation for two weeks, beginning August 21, 1961. He requests that he be permitted to submit, before October 15th, a six months financial statement, incorporating therein the statement currently due.

In view of the above, Bureau permission is requested to allow NY 694-S* to submit the six month report per his request. Bureau authority also is requested to pay the informant for the period during which he will be on vacation.

- 2 - Bureau (100-340711)(RM)
- 1 - Chicago (134-46)(CG 5824-S*)(RM)
- 1 - NY 134-91A (Adm)(41)

ACB:mfd
(4)

AMM 827
1175

171

DIRECTOR, FBI (100-340711)

8/18/61

SAC, NEW YORK (134-91A)

NY 694-S*

Before NY 694-S* went to Moscow in June, 1961, he called to the attention of the New York Office that because of his perforated ear-drums, he felt it necessary to travel by plane in first-class accommodations rather than in economy-tourist accommodations. He points out that because the CPUSA insists on its people traveling at the cheapest rate, he does not want to take the additional cost of the first-class accommodations from the Party funds, and requests that he be re-imbursed for the difference in cost between first-class accommodations and economy-tourist accommodations. In view of the state of the informant's health, and the importance of his mission, the NYO is in agreement with NY 694-S*' request.

The informant paid \$1403.80 for a round trip first-class air flight to Moscow. The cost of the economy-tourist flight for the same trip is \$799.60.

Since he was traveling under an alias, the informant felt it necessary to purchase a suit of clothes, several shirts and underwear on which there would be no identifying dry cleaner's or laundry marks. He paid \$85.00 for the suit, and \$16.30 for the shirts and underwear.

Before going to Moscow, NY 694-S* also expended the sum of \$53.00 for a flight to Chicago, where he conferred with CG 5824-S* concerning his trip to Moscow.

2 - Bureau (100-340711) (RM)
1 - New York (134-91A) (Adm) (41)

8/18/61 - 1176

ACB:mfd
(3)

[Handwritten signatures and initials over the bottom right corner]

ANM

NY 134-91A

NY 694-S* requests re-imbursement as follows:

Difference between first-class and economy-tourist accommodations for air flight to Moscow:	\$604.20
Flight to Chicago:	53.00
Suit of clothes:	85.00
Dress shirts (3) and underwear:	16.30
Total:	<u>\$758.50</u>

It is recommended that the NYO be authorized to re-imburse NY 694-S* in the amount of \$758.50.

5/21

DIRECTOR, FBI (100-340711)

8/18/61

SAC, NEW YORK (134-91A)

NY 694-S*

NY 694-S* advises that he has had to move his office from suite 1725 to suite 2043 at 50 Broad St., NYC. This move became necessary because of the erection of a new building next to 50 Broad St., which cut off the light and air from the informant's office. The new office, slightly larger than the former office, entails an additional expense of \$13.00 per month--\$5.00 for rent, \$5.00 for the use of electricity for which there had been no charge in the other office, and \$3.00 for maintenance (waxing of floors, etc.).

It is requested that the Bureau authorize payment to the informant of \$170.00 per month instead of \$157.00 per month to defray the monthly cost of the cover company office.

2 - Bureau (100-340711) (RM)
1 - New York (134-91A) (41.) (

ACB:gmc
(3)

AMM

AMC

SAC, New York (134-91A) (41)

August 21, 1961

Director, FBI (100-340711)

NY 694-S
CG 5624-S

Reurict 3-17-51.

Based upon your request and over-all value of NY 694-S to our coverage of security matters, authority is granted to continue payments to him for the two-week period beginning August 21, 1961, during which time he will be recuperating from his recent trip abroad on behalf of the Bureau. Authority is also granted for informant to submit a six months' financial statement before October 15, 1961, on the cover company.

I - Chicago (134-46)

134-372-1178

jm

UNITED STATES GOVERNMENT

Memorandum

SAC

TO : SAC, New York (134-91A) (41)

DATE: August 21, 1961

✓ FROM : Director, FBI (100-340711)

SUBJECT: NY 694-S
CG 5824-S

Reurlet 8-17-61.

Based upon your request and over-all value of NY 694-S to our coverage of security matters, authority is granted to continue payments to him for the two-week period beginning August 21, 1961, during which time he will be recuperating from his recent trip abroad on behalf of the Bureau. Authority is also granted for informant to submit a six months' financial statement before October 15, 1961, on the cover company.

1 - Chicago (134-46)

134-91A-1178

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 21 1961	
FBI - CHICAGO	

QC Burleson AEB.

SAC, NEW YORK (66-7136)

9/15/61

SA [redacted] (NY 41)

b6
b7c

CONFIDENTIAL POST OFFICE BOX 1293
CHURCH STREET STATION
NEW YORK 6, NEW YORK

On 9/14/61, confidential post office box 1293 was secured at the Church Street Station of the United States Post Office under the name of [redacted] for the exclusive use of NY 694-S*. On the application for the box, [redacted] was identified as a self-employed attorney with offices [redacted] and a residential address of [redacted]

b6
b7c

A fee of \$1.50 for the rental of this box from 7^o the end of September, 1961, was paid at that time. A quarterly fee of \$4.50 for the last quarter of the year 1961 will be due on 9/30/61.

The two keys to the box received at the time of the rental were turned over to SA ALEXANDER C. BURLINSON.

Indwmg handled
in sub. file
[Signature]

134-91 Adm 1179

1 - NY 134-91 sub A (41)
1 - NY 66-7136

EKD:rm1
(2)

Burkinson QCB

DIRECTOR, FBI (100-340711)

8/18/61

SAC, NEW YORK (134-91A)

NY 694-S*

NY 694-S* advises that he has had to move his office from suite 1725 to suite 2043 at 50 Broad St., NYC. This move became necessary because of the erection of a new building next to 50 Broad St., which cut off the light and air from the informant's office. The new office, slightly larger than the former office, entails an additional expense of \$13.00 per month--\$5.00 for rent, \$5.00 for the use of electricity for which there had been no charge in the other office, and \$3.00 for maintenance (waxing of floors, etc.).

It is requested that the Bureau authorize payment to the informant of \$170.00 per month instead of \$157.00 per month to defray the monthly cost of the cover company office.

2 - Bureau (100-340711) (RM)
1 - New York (134-91A) (41) (

ACB:gmg
(3)

1180

A.C. Burleson PEB

MURKIN 8/18/61
Date: _____

RECORDED - 8/18/61

FAC, New York (100-911)

August 22, 1961

Director, AEC (100-945711)

NY 684-2

Reurlet S-12-61.

Based upon your recommendation and the value of the intelligence furnished by the Informant as a result of the ninth Sole mission, authority is granted to reimburse him in the amount of \$750.00 as itemized in reurlet.

L - 100-104637 (colc)

100-104637-1181

229-

Ags T

CITY New York
 DATE 8-31-61

Request of Special Agent in Charge, FBI, New York City

one thousand two hundred & ~~seventy~~ dollars, and 70 cents,
 (\$ 1,230. 00, which money is to be paid by me on 9/7/61
 to NY 694-8X

for information concerning the case entitled F.D. USA, 15-C (100-4931)

Signed: Gerry Edwin Finner
 Special Agent

Authority (date) My Act 5/3/61, Bureau approved 5/16/61; Board rejected 8/8/61, Buoy 8/8/61
8/1-31/61, Termis 1100.00

Period Covered by Payment 9/1-30/61, Cover Cr Appt 170.00
1,270.00

Actually Inf entitles to furnished on a
continuing basis information concerning
any FD-USA leadership activities &
CO-USA funds

Authorization Checked yes.
 Check Number 2216 - 9/1/61
 Receipts Received 9/7/61
 Voucher Prepared 9/8/61 Item 15

Approved: J. J. Kearney

J. J. Kearney
 SAC

Informant's File No. 134-911-1182

Date of Actual Payment 9/7/61 By Whom G. E. Finner

Searched _____
 Serialized y
 Indexed _____
 Filed p

97

SAC, New York (100-57368)

August 31, 1961

Director, FBI (100-262352)

DR. VALENTINE GREGORY BURMAN
SECURITY MATTER - C

Reurlet 8-21-61 and Buairtel 8-16-61

b6
b7C
b7E

The [redacted] referred to by the subject may be identical with [redacted] the subject of applicant-type investigations in 1951 and 1952. See your file 77-12583. In [redacted] employment was listed as [redacted] [redacted] the United Steel Workers of America, a position he had held since [redacted]. During the investigation in 1952, [redacted] the CIO and the United Steel Workers of America, stated that he personally selected [redacted] to represent the CIO in the World Federation of Trade Unions. [redacted] pointed out that [redacted] had actively opposed communism ever since he had known him and that [redacted] was in a large part responsible for the CIO withdrawing from participation in the World Federation of Trade Unions (WFTU) when he reported the hopelessness of reaching and maintaining agreements with the Russians and of their insistence in using the organization to spread communism. The Directory of National and International Labor Unions in the United States, published by the U. S. Department of Labor in [redacted] as being the [redacted] of the Ohio AFL-CIO in Columbus, Ohio.

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b7C

b6
b7C
b7E

FBI-NEW YORK

[Signature]

134-91 (ADM) 1183

Letter to New York
Re: DR. VALENTINE GREGORY BURTAN
100-262352

The above is furnished for your information in your continuing efforts to identify [redacted] If

[redacted] are identical with individuals mentioned by the subject, the information furnished by him for transmittal to the Russians would not appear to be significant. Keep Bureau advised.

b6
b7c

CITY New YorkDATE 8/31/61Request of Special Agent in Charge, FBI, New YorkOne hundred dollars, and 00 cents,(\$ 100.00), which money is to be paid by me on 9/1/61
to Special Account in names of H. B. Stalter & NY McCabe
to NY 694-STK at Empire Industrial Savings Bank, NYCfor information concerning the case entitled CP-USA, 15-C 100-493By Act dated 1-26-56 the Bureau authorized the NYO to
deposit \$100.00 per mo. in the bank for the benefit of informant,
the total to be paid to him upon termination of his servicesSigned: George Edwin Jones
Special AgentAuthority (date) Bullet 1-26-61Period Covered by Payment 8/1 - 31/61Authorization Checked Yes.Check Number 2217-91161Receipts Received 9/1/61Voucher Prepared 9/8/61 Item 5Approved John J. KearneyJ. J. Kearney
SACInformant's File No. 134-91A-1184Date of Actual Payment 9/1/61 By Whom G.E. JonesSearched _____
Serialized ✓ _____
Indexed _____
Filed ✓ _____

7/7

DIRECTOR, FBI (100-415964)

9/5/61

SAC, NEW YORK [redacted]

b7D

[redacted]

ReNYairtel to Bureau 8/4/61 and NYairtel to
Bureau 8/16/61, captioned, "SOLO; IS-C."

Background

On 8/4/61, [redacted] advised that he had changed his position within [redacted] effective that week.

[redacted] advised that rather than confining his duties [redacted] of the firm, he had been moved up in the firm [redacted] would now be acting alongside [redacted]. In this capacity, he would participate in negotiations of the firm, underwriting, and would be dealing directly with large scale corporate clients and potential clients of the firm.

b6
b7C
b7D

[redacted] stated that in his new capacity he would do some extended traveling in connection with underwriting and other negotiations for the firm.

Progress, Development and Contacts

On 8/9/61, [redacted] was met by his CP, USA contact, NY 694-S*, and the detailed formal answers to the economic questions, discussed in reairtels, were delivered to NY 694-S*.

b7D

The meeting, according to NY 694-S* and [redacted] was cordial and friendly. They agreed to meet again but set no definite date for their next meeting.

P.

2 - BUREAU (100-415964) (RM)
1 - NEW YORK 134-21 (Adm.) (#41)
1 - NEW YORK [redacted] (Adm.) (#41)

RJQ:DJG
(4)

34-91A-1185

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FBI - NEW YORK	

b7D

atm

[redacted] b7D

Subsequent to that meeting, on 8/16/61, NY 694-S* delivered the formally prepared answers to the questions to VLADIMIR BARKOVSKY -- on undeveloped microfilm. In addition, NY 694-S* was to give the answers to GUS HALL of the CP, USA.

Since that time NY 694-S* has been on vacation [redacted] and has not been in contact with BARKOVSKY. In addition, [redacted] spent a week in Canada on firm business.

b7D

It is hoped that after NY 694-S* returns to duty, plans can be made, with NY 694-S* help, for a meeting between [redacted] and a representative of the CP, USA, and later with BARKOVSKY or any other individual indicated by BARKOVSKY.

As has been noted in previous recent communications in this matter [redacted] believed by NY 694-S* to be with the Soviet Secret Service, is also particularly interested in [redacted]

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b7D

It is possible, therefore, that [redacted] may arrange for contact with [redacted] through NY 694-S* but without utilization of BARKOVSKY.

[redacted] will undoubtedly see the formal answers prepared by [redacted] and transmitted to the CPSU by BARKOVSKY.

The Bureau will be kept advised of developments in this matter as directed.

CITY New YorkDATE 9-6-61Request of Special Agent in Charge, FBI, New YorkSeven Hundred Fifty Eight dollars, and Fifty cents,(\$ 758), which money is to be paid by me on 9/7/61to N.Y. 694-5for information concerning the case entitled CPnSA- 18-C (100-4931)Signed: Alexander C. Burleson
Special AgentAuthority (date) Bullett 8-28-61Period Covered by Payment 6/18/61 to 7/13/61

For payment of part of expenses
of informant's trip to
Moscow (6-18-61 to 7-13-61).
Also for plane fare to Chungking
on 6-17-61.

Authorization Checked YesCheck Number 2261-9/6/61Receipts Received 9/7/61Voucher Prepared 9/8/61 Item 14Approved A.C. Burleson
ASACb6
b7cInformant's File No. 134-91A-1186Date of Actual Payment 9/7/61 By Whom A.C. Burleson

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INDEXED _____
FILED D

DIRECTOR, FBI (100-340711)

9/11/61

SAC, NEW YORK (134-91A) (41)

NY 694-S*

1. Recommendation

It is recommended that, effective 9/25/61, the Bureau authorize for a period of four months payments to NY 694-S* at the rate of \$1,100.00 per month for services rendered, and payments to the informant of \$170.00 per month for expenses incident to the operation of his cover company office.

2. Residence and Employment

Home address - 34-70 40th St., Sunnyside, L.I., NY.
Business address - Arisco Associates, 50 Broad St., NYC.

3. Current Membership in Subversive Organizations

A. Member of CP National Office Finance Committee
(Reserve Fund)

B. CP,USA liaison with the Canadian CP.

4. Summary of Information Furnished

During the pertinent period, the informant reported contacts with the following CP,USA functionaries: CUS HALL, ERVING POTASH, ROBERT THOMAS and ISADORE WOFSY. Other important CP,USA members contacted by the informant were PEGGY DENNIS, JEAN SMITH, VICTORIA WILES, CHARLES EDD COE, and JACOB BUDISH. The informant also contacted ELIZABETH MASCOLO of the Canadian CP and VLADIMIR BARKOVSKY, who is associated with the Soviet UN Delegation to the United Nations. While abroad between June 13th and July 13, 1961, the informant contacted a number of leading members of the CPSU in Moscow, and also several leading members of the Communist Party of Czechoslovakia in Prague.

2 - Bureau (100-340711) (R)
1 - NY (134-91A) (41)

ACB:m1
(3)

100-340711-1187

Wm

NY 134-91A

From the above-named sources, NY 694-S* obtained information regarding the following: Operation of the CP,USA National Office and of the NY State CP; proposed changes in personnel in the national and NY State CP leadership; the agenda at CP,USA National Committee and National Executive Committee meetings; funds made available to the CP,USA from Soviet sources; activities of the CP,USA Finance Committee, including amounts of money paid to various CP functionaries and the CP National Office from CP Reserve Funds; CP,USA activities with respect to setting up a new Negro publication and a trade union magazine; CP,USA and Canadian CP trade union activities; reports of a CP,USA representative, ostensibly a CIA-AFL agent, concerning the political and trade union situation in Africa; activities abroad of CP,USA delegates who attended the May Day celebration in Moscow; arrangements for Soviet financial assistance to the CP-controlled publishing company "World Books"; and, voluminous information obtained from Soviet sources abroad regarding the international situation, particularly with reference to the danger of war, Soviet intentions to sign a separate peace treaty with East Germany, the Soviet intention to end the dictatorship of the proletariat, the Soviet appraisal of President KENNEDY - and his administration, and a secretly planned peace conference to be called by the Soviets. The informant also made available to the NYO a number of CP documents reflecting top level CP activities.

5. Amounts Paid

A.

<u>Services</u>	<u>For Period</u>
\$1100.00	May, 1961
1100.00	June, 1961
1100.00	July, 1961
1100.00	August, 1961

B.

Cover Company Office

\$ 157.00	June, 1961
157.00	July, 1961
157.00	August, 1961
170.00	September, 1961

NY 134-91A

C.

Special Bank Account

\$ 100.00	May, 1961
100.00	June, 1961
100.00	July, 1961
100.00	August, 1961

D.

Miscellaneous Expenses

\$ 53.00	Plane flight to Chicago, 6/17/61
604.20	Partial payment of plane flight to Moscow and return 6/18/61 & 7/13/61
85.00	Suit of clothes for trip to Moscow, 6/18/61.
16.30	Shirts and underwear for trip to Moscow, 6/18/61.

Total - \$6,199.50

Note: Other expenses incident to the operation of the cover company are not listed herein inasmuch as a separate report reflecting such expenses is submitted to the Bureau periodically.

6. Meetings Attended and Other Activity

None during pertinent period.

NY 134-91A

7. Reports Submitted

For security reasons, as previously explained to the Bureau, NY 694-S* does not furnish written reports or oral reports reduced to writing and signed by the informant. The reports of NY 694-S*, which approximate 150 for the pertinent period, are disseminated to the Bureau, other field offices, and pertinent NYO files as the nature thereof requires, that is, by teletype, airtel, letter or memorandum.

8. Information Furnished of Unusual Value

The informant reported voluminous information, obtained from top-ranking Soviets in Moscow, concerning the current international situation, and also reported receipt from the Soviets of \$100,000.00 for the use of the CPUSA. He further reported his attendance in Moscow at a Soviet "spy school."

9. Approximate Number of Persons Concerning Whom
Informant Reported and Their Importance

In his role of secret member of the CP, acting as a member of the CP Finance Committee, and liaison with the Canadian CP, NY 694-S* reported concerning the operations of top-level CPUSA leaders, and concerning CP policy as revealed to him by said leaders. He also reported contact with Soviets in Moscow, a Soviet attached to the Soviet UN delegation, a Canadian CP courier, and members of the Czechoslovakian CP and Chinese CP whom he met abroad. In the current pertinent period he has reported contact with approximately 50 such individuals.

10. Steps Being Taken to Advance the Informant

From the standpoint of obtaining valuable information concerning CP policy and top-level operations, the informant's position is ideal. For him to seek any other CP post would militate against his obtaining the important and varied information he now secures. His objective is to extend his field of operation in the position he now holds in the CP.

NY 134-91A

11. Stability and Reliability

No personal weaknesses, indications of instability, untrustworthiness, unreliability, or of similar problems, were noted during the pertinent period. Much of the information furnished by the informant has been verified.

12. Indoctrination Against Disclosure

Every opportunity has been taken to properly indoctrinate the informant against making any disclosure of his relationship with the Bureau.

13. Action Taken on Information Furnished

All necessary action has been taken, and the information has been properly channelized.

14. Miscellaneous

Information obtained from NY 694-S* has been furnished to the Bureau under appropriate captions.

There is currently on deposit in a special account at the Emigrant Industrial Savings Bank the sum of \$7,446.08, of which \$646.08 is accrued interest.

The informant's cover company office continues to be essential to his maintaining contact with CP functionaries and to the cover operation itself.

UNITED STATES GOVERNMENT

Memorandum

TO : SAC New York (134-91A)

FROM : SA A.B. Parkinson

SUBJECT: 9/14/694-S

DATE: 9-15-61

CI SI
 PCI PSI

Dates of Contact	9-14-61	100-145915
Titles and File #s on which contacted		
	100-142062	100-145913
	105-48614	100-138703
	100-145120	105-50192
	100-98979	100-138385
	105-38673	105-34217
	100-145942	100-90256
Purpose and results of contact		
<input checked="" type="checkbox"/> Negative	100-145644	100-86236
<input type="checkbox"/> Positive	100-145644	100-145808
	100-145644	100-63969
	77-26365	100-146231
	100-144229	100-146228
	100-145640	100-146212
	100-145277	105-56692
	[redacted]	100-145092
	100-82433	100-109800
	105-5858	105-50364
	100-145778	
	100-146081	
	100-146133	
	[redacted]	
	100-23682	
	100-106674	
<p style="text-align: right;">Chief Clerk POST 9/15/61</p>		
<p><input checked="" type="checkbox"/> Security Informant certified that he had furnished all information obtained by him since last contact.</p>		
Personal Data	Rating <i>Gallant</i>	
	Coverage	
	<p>SEARCHED INDEXED SERIALIZED FILED Sept 15 1961 FBI - NEW YORK</p>	

1 - _____

1 - _____

134-91A-1188

SEARCHED	INDEXED
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Sept 15 1961	
FBI - NEW YORK	

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SAC, NEW YORK (100-134637)

9/18/61

SUP. [REDACTED] (41)

b6
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SOLO
IS-C

On 9/18/61, I telephonically furnished [REDACTED] of the Bureau a set of coded numbers which was the result of coding done by NY 694-S* of a message which he intended to transmit to VLADIMIR BARKOVSKY. The informant had asked that we furnish this set of numbers to the Bureau so that they decode it and then he would check the Bureau decoding against his own message to see if he had accurately handled it. [REDACTED] stated that he would handle the matter today and call back.

At 3:50 p.m., Mr. JOSEPH SIZOO of the Bureau telephonically communicated with me and stated that the message decoded was as follows:

"Mailing address for [REDACTED] repeat [REDACTED]
[REDACTED] repeat [REDACTED]
[REDACTED] repeat [REDACTED]

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Mr. SIZOO stated that there were two or three minor errors in the coding which did not particularly affect the deciphering. In the 27th group, now shown as 09151, it should have been 05151.

In the 35th group, there were two errors. The digit in the second position, a seven, is actually an extra digit and should not be there. It now reads 07976 and it should be 0976, plus the first digit of the next group, which would change the grouping. Also, the second seven should be an eight, that is, 0986, plus the first digit of the next group.

1 - NY 134-91 (ADM) (41)
1 - NY 100-134637 (41)

WTM:msb
(2)

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[Handwritten signatures and initials over the stamp]

41

9/21/61

AIRTEL

TO: DIRECTOR, FBI (100-340711)
FROM: SAC, NEW YORK (134-91A)
SUBJECT: NY 694-S*

ReNYairtel 9/19/61, captioned, "GUS HALL; IS-C", reflecting that in view of the Internal Revenue Department's investigation of GUS HALL's finances, captioned informant had been assigned to find individuals who would testify that they had made loans without interest to HALL.

NY 694-S* has been cautioned concerning the delicacy of this matter and instructed that under no circumstances should he take any affirmative action without first clearing with this office. The informant has agreed to do so. He has pointed out that he is going to stall any action on his part as long as he can but that in view of the predicament HALL finds himself in he has no doubt that he is going to be forced to take some action. He also states that Attorney ISIDORE "GIBBY" NEEDLEMAN is not the type who would go out and make contact with individuals to ascertain if they would be willing to testify falsely concerning loans made to HALL and that such assignment would be referred to NY 694-S* to handle. The undesirability of this is appreciated by the informant.

On 9/20/61, Agent [REDACTED] of the Intelligence Division of the Internal Revenue Department contacted the NYO concerning the said department's investigation of GUS HALL with respect to income tax evasion. According to [REDACTED] if HALL should contend that loans were the source of some of his income, and should decline to identify the persons from whom he received such loans, the Government could not take any criminal action against him. In this event, the Government's only recourse would be to require payment of taxes on the loans as income. Should HALL identify persons from whom he allegedly obtained loans, the Government would require affidavits from such persons, and would conduct an investigation of their finances.

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3 - BUREAU (100-340711) (RM)
1 - NEW YORK 134-91A (41)

WTM:DJC
(5) 1 - TICKLER 41

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JAM com

PAGE TWO
NY 134-91A

As an alternative to the informant contacting individual concerning false testimony, it would appear possible, in view of what Agent [redacted] has stated, that the informant could, in a discreet manner, make known to either or both HALL and NEEDLEMAN the legal situation involved, as stated by [redacted]

[redacted] This, of course, would have a tendency to defeat the government's case from the standpoint of possible prosecution of HALL as regards the loan angle and would result in the government merely collecting income tax. This would not necessarily defeat the government's entire case in that it is understood that part of the evidence in the possession of Internal Revenue deals with the profits made by HALL in connection with his previous operation of a filling station in Cleveland. Further, Internal Revenue may develop other evidence concerning possible criminal violation on the part of HALL which NY 694-S* is in no way involved. NYO is loathe to recommend a course of action which would in any way militate against the government's action against HALL. On the other hand, the value of the informant to the national effort and the possibility of uncovering the informant and subjecting him to charges of obstruction of justice must be considered in making the decision. It would appear after considering all the facts that NY 694-S* informing HALL and/or NEEDLEMAN of the legal situation involved would be the better alternative under the circumstances and would be to the best interests of not only the Bureau but the U. S. Government. Although the informant may stall his participation temporarily it appears that he will have to take some definite action. The Bureau's observations are requested.

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Open ✓

VIA ~~SECRET~~ AIR COURIER

Date: September 11, 1961
To: Director, FBI (100-340711)
From: Legat, Ottawa (100-801)
Subject: JACK CHILDS
INTERNAL SECURITY - C

This is to recommend the handling of information received from this source with Canadian connexions be reconsidered at this time in the light of the current attitude of the [redacted] authorities. The [redacted]

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BACKGROUND

The files of this office indicate that Childs first came to the attention of [redacted] in 1954 when he traveled to Toronto, Ontario, and contacted Jack Cowan, who was known to [redacted] as a close associate of top ranking Communist Party (CP) members in Canada. Childs again visited Toronto in the Fall of 1954, where he conferred with Cowan. In May, 1955, he visited Cowan for a fishing trip and during that time conferred with Sam Carr [redacted]. In August, 1955, he visited [redacted] as well as Cowan, and then went to the USSR Embassy in Ottawa [redacted] Carr, Cowan and [redacted]

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[redacted] Later in 1955, he made three additional visits to Canada contacting, in addition to Carr and Cowan, Tim Buck, head of the CPC, and his mistress, Elizabeth Mascolo. He made three trips to Canada in 1956 contacting people of the same type as above, including Norman Freed, [redacted]

[redacted] as well as Carr and Cowan. He was in Canada again in 1957 on one occasion; in 1959 on one occasion; and in 1960 on two occasions and on each occasion, contacted persons known by [redacted] to be in the upper hierarchy

3 - Bureau (1 cc - New York)

1 - Ottawa

MLI:jhc

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Burkison PEB

of communist activities in Canada.

As a result of his frequent visits and persons contacted, [] began to press the Bureau through the Liaison Office in Ottawa for information concerning Childs. As early as September, 1955, the Legal Attaché recommended consideration be given to furnishing [] information as it would undoubtedly have a bearing on relations between the two agencies. At that time, the Bureau advised the information was not obtainable elsewhere; the risk was too great to jeopardize the source; pertinent information was being furnished on a selective basis received from the source; and it was believed [] would understand when it became necessary or possible to advise. [] continued to press [] for information, claiming Childs had them guessing and interested as he must be an important link between U. S. and Canadian communists. [] advised the Bureau in November, 1955, of [] continued interest and predicted they would continue to press for information. He suggested advising [] however, the Bureau said it was not possible as it would lose control over the number of people having access to the information. The Bureau pointed out it would not be sufficient to merely advise highly placed [] officials, as the information would be of no value unless passed along.

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In January, 1956, [] requested permission to discuss the problem by a visit to Washington and he did proceed to Washington for such a discussion in January, 1956. No memorandum is in the file setting forth the results of such discussion. [] continued to press [] and his successor, [] and in April, 1959, pointed out they had received no advance notice concerning Childs' visits since 1956, although he had been in Toronto in 1957 and 1959. They said he always apparently had a mission in coming to Canada and wondered if the Bureau still maintained an interest in him. They were advised there had been no change in the Bureau's interest.

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With the writer's arrival in Ottawa in April, 1959, this was one of the first problems which presented itself and despite the fact that Childs has not been to Canada since July, 1960, the question periodically arises in one form or another.

INFORMATION FURNISHED BY THE BUREAU

TO [] CONCERNING CHILDS

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Over the years, the file reflects [] have been furnished background information concerning Childs indicating he joined the Young Communist League in 1931 and the CP in 1933. He was active in the Industrial Section of the party

in 1943 and was then business representative of the "Daily Worker" and the leg man for [redacted] who handled secret CP funds. He was residing in NEW YORK CITY in 1954 and employed by Arisco-Grid Lamp Products, Incorporated. In 1955, the [redacted] were advised Childs was not an official of the party, so information concerning him was somewhat restricted, but he had been in contact with leading CP functionaries, including Foster and Gannett. They were further advised that he appeared to be a liaison man among functionaries, but there was no information to indicate that he was in contact with the Soviets or engaged in espionage activities.

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In 1956, they were advised he had been in contact with a number of persons in the United States, such as Isidore Needleman, and made trips to Canada apparently as a CP courier. They were also advised that he has business interests with Cowan and Needleman concerning trade between the west and the Soviet bloc in the event restrictions should be relaxed. In 1960, they were advised he was not an official of the party but continued to act in a liaison capacity between Canada and the United States and continued his frequent contacts with leading party functionaries. They were advised there was no data relative to subversive activities other than above. They were last advised in June, 1960, he was employed with Arisco Associates, New York City, selling drawing stands and photographic tripods to retail trade and was interested in developing Canadian outlets and in furtherance thereof made contacts with Graflex, Ltd., Toronto. They were advised that he was interested in the export-import business with Cowan and frequently conferred with him concerning the establishment of such a business with headquarters in Canada. They were also advised that Childs has an interest in the Two Continent Trade Corporation, which is an American company desiring trade with China and it was originally planned to have an office in Canada, but none had yet been established.

CURRENT DEVELOPMENTS

[redacted]

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The Legat approached Superintendent

in the absence of Chief Superintendent [REDACTED] who
is incapacitated due to a recent heart attack, and [REDACTED]

OBSERVATIONS

1. The Legat, through the above conversations with [redacted] received the definite impression, although no statement to that effect was made, that [redacted] believing as they do concerning Childs will, in turn, possibly withhold information developed through their sources under the present intensification program. This statement is based on the fact that to date no information has come across the desk of this office concerning the telephone call and subsequent meeting in the United States between Childs and the Canadian, which, under normal circumstances, would logically have occurred.

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2. Such a feeling on the part of [redacted] in connection with one matter could occur.

[redacted]

3. While Superintendent [redacted] advised that the

[redacted]

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4. While being fully cognizant of the tremendous importance of this source to the Bureau and the fact that it is irreplaceable, it is felt the time has come in the interests of continued good relations between the two agencies to take [redacted] into confidence in this matter since it appears they are or have developed a source high up in the Canadian hierarchy of the CPC and through their operations could conceivably jeopardize the Bureau's source.

An extra copy of this letter is enclosed for the information of the New York Office.

9/26/61

Airtel

To: SAC, New York (100-84094) (134-91A)
From: Director, FBI (61-8077) (100-240711)

GUS HALL
INTERNAL SECURITY - C
SMITH ACT OF 1940
INTERNAL SECURITY ACT OF 1950

NY 694-S*

Reurairtel 9-19-61 captioned "Gus Hall, IS-C" and your airtel 9-21-61 captioned "NY 694-S" regarding the status of the investigation of Hall's finances by the Internal Revenue Service (IRS) and advising that Isadore Gibby Needleman has recruited NY 694-S* to assist in obtaining false affidavits relating to personal loans to Hall.

The Bureau feels that the informant should contact Hall personally and advise him of his conference with Needleman. Informant should stress to Hall that while he desires to be of assistance, there are several angles which Hall should consider. If Hall actually received personal loans, the informant will be happy to contact the individuals who made such loans and arrange to have affidavits submitted to Needleman. If, on the other hand, Hall and Needleman are considering obtaining false affidavits, they will be placing the persons from whom such affidavits are obtained in a very vulnerable situation since IRS will certainly investigate the signers of such affidavits and such action could possibly result in perjury charges against these individuals, as well as subornation of perjury charges against the informant. In this regard, informant can point out that as Hall well knows, the informant is the conduit of funds from the Communist Party of the Soviet Union (CPU) to the United States; is the direct contact with Vladimir Barkovsky, Counsel for the Soviet Delegation to the United Nations; and received specialized instructions in the Soviet Union for the transmission of data between the Communist Party, USA (CPUSA) and the CPU. In view of these facts, it

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a/c
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Bureau 900

Airtel to New York

Re: Gus Hall

NY 694-S*

61-8077

100-340711

can be emphasized to Hall that it would be highly undesirable for the informant to engage in any action which could possibly result in public reference to the informant and could well destroy his value to the CPUSA.

The Bureau should be immediately advised of the reaction of the informant to this course of action, as well as of the results of the informant's discussion with Hall.

UNITED STATES GOVERNMENT

Memorandum

SAC
ASAC 1

TO : SAC, NEW YORK (134-91) DATE: 10/3/61

FROM : ASAC NORMAN H. McCABE, DIVISION IV

SUBJECT: NY 694-S*

While talking to Inspector J. A. SIZOO of the Bureau on other matters, he stated he would like to have a letter from the New York Office, as a matter of record, concerning the handling of NY 694-S* and also CG 5824-S* when the latter is in New York. He would like to have this letter cover the following points:

1. Set forth how information is passed along to us from the above informants and just how the contacts are handled.
2. What are the arrangements for emergency contacts.
3. What is done to check on possible surveillances before and after meetings with these informants.
4. Upon termination of meetings with the informants what steps are taken by the Agents and by the informant.
5. Has the New York Office checked NY 694-S* new office for security, bearing in mind the possibility of the Soviets or the CPUSA having technical coverage.
6. How does NY 694-S* check for security upon entering or leaving the cover office.

NHM:MEW

(2) (1 - ASAC N. H. McCABE)

134-91-1194

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OCT 3 1961	
FBI - NEW YORK	

SAC, NEW YORK [redacted]

10/3/61

SA ALEXANDER C. BURLINSON (41)

b7D

[redacted]

On 9/26/61, NY 694-S* advised that on 9/25/61, GUS HALL, CPUSA General Secretary, stated that he was very pleased with the answers furnished by the captioned informant to the economic questions that had been prepared by JACOB BUDISH and submitted to the informant by NY 694-S*.

According to HALL, BUDISH will prepare another set of economic questions which are to be submitted to [redacted] HALL said that he intended to have BUDISH and [redacted] meet for a discussion of economic matters. He also remarked that he considered [redacted] "a most valuable contact."

b7D

NY 694-S* stated that although HALL did not specify when BUDISH would confer with [redacted] it was the informant's opinion that HALL had in mind that this conference take place in the near future.

1 - NY 134-91 (ADM) (41)
1 - NY100-48260 (JACOB BUDISH) (424)
1 - NY 100-84994 (GUS HALL) (415)
1 - [redacted] (ADM) (41)

b7D

ACB:msb
(4)

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DIRECTOR, FBI (100-415964)

9/3/61

SAC, NEW YORK [redacted]

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[redacted]

Replies to Bureau, 9/5 and 6/61.

Progress, Developments and Contacts

On 9/26/61, NY 694-S* advised that on 9/23/61, GUS HALL, CPUSA General Secretary, stated that he was very pleased with the answers furnished by captured informant to the economic questions that had been prepared by JACOB BLUDISH and submitted to [redacted] by NY 694-S*. b7D

According to HALL, BLUDISH will prepare another set of economic questions which are to be submitted to HALL said that he intended to have BLUDISH and [redacted] meet for a discussion of economic matters. He also remarked that he considered [redacted] "a most valuable contact." b7D

NY 694-S* stated that although HALL did not specify when BLUDISH would confer with [redacted] it was NY 694-S*' opinion that HALL had in mind that their conference take place in the near future.

On 9/26/61, [redacted] advised that he had been contacted by NY 694-S* the week previous and tentative arrangements had been made for their next meeting. b7D

On 9/26/61, [redacted] advised that he was anxiously awaiting the "next move" by the CPUSA or by the Soviets.

P.

2 - BURMAN (100-415964) (23)
1 - NY 100-43252 (JACOB BLUDISH) (424)
1 - NY 100-43251 (ADM) (#1)
1 - [redacted] (ADM) (#1)

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[redacted] b7D

He expressed fear that he would be unable to elicit enough valuable information from a CPUSA or Soviet contact, feeling that they would more than likely feed him only the "Party line."

It was pointed out to [redacted] b7D that he was now in a very valuable position inasmuch as the Communist Party, and most probably the Soviet, were quite interested in him and anxious to make contact with him.

He was shown that his value did not lie solely in collecting and reporting "economic" information received from contact with a CPUSA official or a Soviet contact, but that it could, and most probably would, extend to areas never previously explored by the FBI.

It was explained to him that the Soviet especially, should they contact him, could use him as a courier in some espionage apparatus as yet unknown to the FBI.

He was made aware that the Soviet, even though they might learn of his existence and identity through NY 694-S*, could, for security reasons, very well contact him without ever going through NY 694-S* and without NY 694-S* ever knowing of the contact.

[redacted] b7D remains ready, willing and appears very well prepared for his next contact with NY 694-S* and/or a representative of the CPUSA or the CPSU.

Bureau will be kept advised.

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 4
Page 203 ~ Duplicate See serial 1108
Page 236 ~ Duplicate See serial 1131
Page 275 ~ Duplicate see serial 1147
Page 336 ~ Duplicate see serial 1187

9/23/61

AIRTEL

TO: DIRECTOR, FBI (61-8077)
(100-340711)

FROM: SAC, NEW YORK (100-340924)
(134-91A)

SUBJECT: GUS HALL
INTERNAL SECURITY-C
SMITH ACT OF 1940
INTERNAL SECURITY ACT OF 1950

NY 694-S*
(OO:NY)

ReBairtel, 9/26/61, captioned as above, regarding
the Internal Revenue Service's investigation of HALL's
finances.

Pursuant to Bureau instructions contained in
referenced airtel, NY 694-S*, on 9/26/61, was instructed
to contact GUS HALL and to explain to the latter that the
proposed plan for the informant to assist HALL could sub-
ject HALL and the informant to prosecution for subversion
of perjury, exposing the informant's role in secret CP
activities, and could subject others involved in the plan
to prosecution for perjury.

NY 694-S* considered the Bureau's suggestions
excellent, and stated he would contact HALL at the first
opportunity to discuss this matter with HALL.

On 9/29/61, NY 694-S* advised SA ALEXANDER C. BURLINSON
that on 9/26/61, he discussed with HALL the objections to the
informant's assisting HALL as planned. HALL agreed that the

4-Bureau (61-8077) (AM)
(1-100-340711)
1-NY 100-12461 (BERNARD ABERS) (421)
1-NY 134-91A (NY 694-S) (41)
1-NY 100-340924 (415)

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1-Supervisor #41

134-91A- 1197

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SEP 29 1961	
FBI - NEW YORK	

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NY 100-34994

plan was dangerous for all involved, and instructed NY 694-S* to "forget it." HALL then suggested that, to resolve the problems involved, the informant discuss the entire matter with BERNARD ADKS, the Party's accountant. NY 694-S* agreed to HALL's suggestion.

The NYO will follow this matter closely, and will advise the Bureau of all developments.

10/10

DIRECTOR, FBI (100-340711)
(61-7665)

10/6/61

SAC, NEW YORK (134-91A)
(66-6989)

NY 694-S*
CG 5824-S*

Reference telephone call 10/3/61, from Inspector Joseph A. Sizoo of the Bureau by ASAC Norman H. McCabe, requesting information regarding contacts between NY 694-S*, CG 5824-S* and New York Agents.

NY 694-S*

Contacts with the New York Office

When NY 694-S* desires to furnish information to the NYO, he does so either by telephonically contacting the NYO Agent on an unlisted telephone in the NYO or by meeting the agent in [redacted] of an apartment hotel at [redacted]. This is the bachelor apartment of [redacted] of the Chemical Bank New York Trust Company, at 8th Street and Broadway, New York City, and [redacted]

[redacted] of the aforesaid bank, and brother of the contacting agent. [redacted] who has furnished a key to the apartment to the contacting agent, permits the NYO to use his apartment while he is out, that is, between the hours of 8:30 AM and 10 PM. [redacted] works late at his office, and goes uptown to dinner, returning to his apartment late in the evening.

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- 3 - BUREAU (100-340711) (RM)
(1 - 61-7665)
② - NEW YORK (134-91A) (#41)
(1 - 66-6989) (#41)

ACE:DJG
(5)

134-91A-1198

Prepared

asw

Letter to Director
NY 134-91A and 66-6989

[redacted] apartment is one of about twelve on the [redacted]. The contacting agent arrives at the apartment about a half hour before the informant, and leaves about a half hour after the latter does. Neither the informant nor the agent enters or leaves the apartment if anyone is standing in the hall or near the elevator. There are numerous shifts of building employees operating the elevator, and it is seldom that the individual running the elevator when the agent and informant enter the building is still on duty when they leave. The agent and the informant have been meeting at this apartment for the past several years, and have never been confronted with a security problem by reason of such meetings.

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With regard to telephonic contact with the NYO, NY 694-S* calls either from a special phone in his office reserved for that purpose, or from a public telephone booth. The agent answers on an unlisted telephone in the NYO. Should the informant find it necessary to contact the agent in the late hours of the evening, he calls the agent at the latter's home from a public telephone booth. Should the agent find it necessary to contact the informant in the evening, he must resort to pretext since the informant's family is not aware of the latter's activities in behalf of the Bureau. If the informant is at home, and the purpose of the call is only to furnish information to the informant, the agent conveys the message and the informant, from his end, makes comments, for the benefit of the family, reflecting that he is engaged in a conversation with a business or social acquaintance.

If the informant is not home at the time of the call, the agent leaves a message that Mr. "So and So" (one of a number of names agreed upon) called. Upon receiving this message, NY 694-S* understands that he is to contact the agent at the latter's home from a public telephone.

Letter to Director
NY 134-91A and 66-6989

NY 694-S* is constantly aware that he may be under surveillance by either the CPUSA or Soviet Agents when he leaves his home or office to meet the contacting agent. Upon going to or returning from a meeting with the agent, he employs numerous devices learned by him over the years to detect a surveillance, such as "back tracking", getting off elevators at a floor other than the one to which he is going, getting on and off a subway train before the door closes, and travelling by a circuitous route. After a meeting with the informant, the agent, before he returns to the office, employs the same sort of tactics.

Office Operated by NY 694-S*

With reference to the assurance that security has not been compromised at this office, telephones are checked once every 3 months.

CG 5824-S*

Contact with CG 5824-S*, while the latter is in NYC, is strictly telephonic. The informant calls the contacting agent from a public phone booth, either on an unlisted telephone at the NYO or at the agent's home. If the agent should find it necessary to contact CG 5824-S* in an emergency, he would do so through NY 694-S*. In the event the latter were not available, the agent would leave a message at CG 5824-S* hotel that the latter should call Mr. "So and So", (a name agreed upon), which would be understood by CG 5824-S* to mean that he should telephonically contact the agent.

10/11
October 9, 1961

Airtel

To: SACs New York (100-134637)
Chicago (134-46 Sub B)

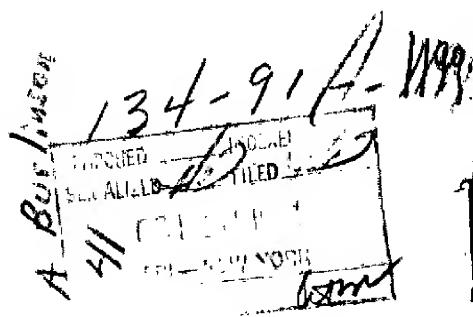
From: Director, FBI (100-428091)

SOLO

INTERNAL SECURITY - C

NY 694-S* and CG 5824-S* are not to travel
to Canada under any conditions without prior approval
of the Bureau.

1 New York (NY 694-S*) ADM
1 - Chicago (CG 5824-S*)

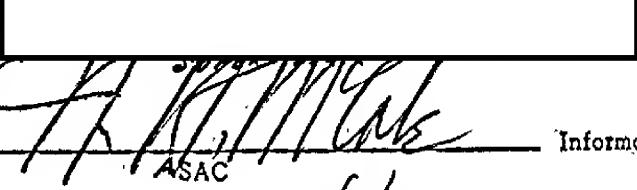


CITY New YorkDATE 10-2-61Request of Special Agent in Charge, FBI, New YorkOne Hundred dollars, and — cents,(\$ 100⁰⁰), which money is to be paid by me on 10/5/61 to Special Agent in Charge of FBI Field Office, New York City, et al., to NY 69454, R.R. 1, Box 21, Elmhurst Industrial Savings Bank, N.Y.C.for information concerning the case entitled CPA 25-A-15-C (100-4931)By letter dated 1-26-56, the Bureau authorized the NYO to deposit \$100 per month in the bank for the benefit of the informant, the total to be paid to him upon termination of his service.Signed: Alexander C. Burleson
Special AgentAuthority (date) Bullet 1-26-56Period Covered by Payment 9/1-30/61Authorization Checked lipCheck Number 2531 - 1014/61Receipts Received 10/5/61Prepared 10/17/61 Item 48Approved: John M. Kellyb6
b7cInformant's File No. 134-914-1200Date of Actual Payment 10/5/61 By Whom A. C. BurlesonASAC
DepositSearched JKD
Serialized JKD
Indexed JKD
Filed JKD

CITY New YorkDATE 10-2-61Request of Special Agent in Charge, FBI, New YorkOne Thousand Two Hundred Seventy dollars, and — cents,(\$ 1270), which money is to be paid by me on 10/5/61to A.Y. 694-S *for information concerning the case entitled CPUSA-15-C (100-4931)(NY let 5/5/61
FBI approval 5/16/61) Signed: Alexander C. Burleson
(NY let 9/11/61 - Bureau approval 9/15/61) Special AgentAuthority (date) 9/1-30/61 Service: 1100⁰⁰Period Covered by Payment 10/1-31/61 Courts Office: 170⁰⁰

Actual Informant continues to furnish on a daily basis information concerning top CPUSA leadership activities and CPUSA funds.

Authorization Checked ✓ Yes
 Check Number 2530-10/4/61
 Receipts Received 10/5/61
 Voucher Presented 10/17/61 Item 41

Approve b6
b7cInformant's File No. 134-914-120VDate of Actual Payment 10/5/61 By Whom A.C. Burleson

Searched ✓
 Serialized ✓
 Indexed ✓
 Filed ✓

~~SECRET~~

October 12, 1961

COMMUNIST PARTY OF CANADA

The following information has just been obtained from confidential sources which have supplied reliable information in the past. This report was received by the national office of the Communist Party (CP), USA, and reportedly emanated from a Canadian source.

Tim Buck, General Secretary of the CP of Canada, has been encountering political difficulties with [redacted] [redacted] Leslie Morris, both functionaries of the CP of Canada. Pressures being exerted by [redacted] Morris are forcing Buck to retire as General Secretary; however, he will continue to serve as Chairman of the CP of Canada.

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Functionaries of the CP of Canada have already agreed on the future top leadership for the Party, although the next convention is not scheduled to be held until the last week of December, 1961, or the first week of January, 1962. The leadership agreed upon is as follows:

Leslie Morris General Secretary

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The Secretariat of the CP of Canada will consist of these same four individuals, along with Tim Buck. Buck has been insisting that he not be a member of the Secretariat. The chances are that, despite his protests, he will be made a member.

Leslie Morris and Tim Buck are currently preparing to travel to Moscow, Russia, to attend as delegates from the CP of Canada the 22nd Congress of the CP of the Soviet Union.

134-91A-1202

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 13 1961	
FBI - BOSTON	

A. Bulman A.C.B.

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 12-13-2011

~~SECRET~~

~~SECRET~~

Communist Party of Canada

[redacted] of the CP
of Canada to the World Federation of Trade Unions conference
to be held in Prague, Czechoslovakia, in December, 1961.

b6
b7c

This document contains neither recommendations
nor conclusions of the FBI. It is the property of the FBI
and is loaned to your agency; it and its contents are not
to be distributed outside your agency.

- 2 -

~~SECRET~~

October 18, 1961

Legal Attaché, Ottawa

Director, FBI (64-200-242)

COMMUNIST PARTY OF CANADA
INTERNAL SECURITY - C

Enclosed herewith for the Legal Attaché, Ottawa, and the SAC, New York, are two copies each of a letterhead memorandum setting forth information concerning the Communist Party (CP) of Canada. This information was contained in New York airtel to the Bureau dated 10/9/61.

You are authorized to make available one copy of the enclosure. You should impress upon your source that this information was derived from highly delicate and sensitive sources of the Bureau.

b7D

Your attention is directed to Bureau cable 10/7/61 mentioned "Communist Party, USA" requesting information from [redacted] concerning the visit of Elisabeth Bencolo to New York City. You are to continue to press [redacted] for details concerning this visit.

For the information of New York, [redacted] has been requested to confirm the visit of Bencolo to the United States, the nature of her business, persons to be contacted, results of contacts if consummated, and any other information of interest to the Bureau. Results of these inquiries will be supplied to New York when received from [redacted]

b7D

New York is instructed that in the future when information is obtained by NY 694-50 from representatives of the CP of Canada to supply the Bureau with full details of the circumstances under which the informant obtained the information, such as in person, telephonically, at home, at office or in a restaurant. Set forth identities of other individuals to whom informant supplied the information and your recommendation as to whether the information can be disseminated without jeopardizing the informant. Information submitted that is to be disseminated must be incorporated in a letterhead memorandum and paraphrased in such a way as to completely protect NY 694-50.

Enclosures (2)

2 - New York (Enclosures 2)

Original in 130-51166

ACB
A. Barnes
130-214-1203

UNITED STATES GOVERNMENT

Memorandum

TO : SAC NY (134-91) ADM
FROM : SA Alexandra Burkinshaw
SUBJECT: NY 694-8*

DATE: 10-16-41

CI SI
 PCI P

Dates of Contact	10-12-61		
Titles and File #'s on which contacted			
<hr/> <hr/> <hr/> <hr/> <hr/>			
Purpose and results of contact <input checked="" type="checkbox"/> Negative <input type="checkbox"/> Positive 65-14644 <div style="border: 1px solid black; width: 150px; height: 20px; margin-top: 5px;"></div> 100-146197 100-48285- 100-124016 100-140755- 100-146041 105-50290 100-141330 <div style="border: 1px solid black; width: 150px; height: 20px; margin-top: 5px;"></div> 100-91180			
100-86597 100-62751 100-146419 100-25693 100-146475 100-146411 100-71906 100-112827 100-146436 100-146166 100-146198 100-14637 100-146161 100-146374 100-146372 100-146249 100-146372- 100-144863 100-146413 100-146191 100-146376- <div style="border: 1px solid black; width: 150px; height: 20px; margin-top: 5px;"></div> 100-146437 100-146375- 100-146418 100-95941 100-146425- 100-146421 <div style="border: 1px solid black; width: 150px; height: 20px; margin-top: 5px;"></div> 100-146389			
<div style="border: 1px solid black; width: 150px; height: 20px; margin-top: 5px;"></div> <input checked="" type="checkbox"/> Informant certified that he has furnished all information obtained by him since last contact.			
Personal Data		Rating	Ex
		Coverage	OP-USA FUNDS
		SEARCHED	6

Chief Clerk

Other Clerk
Post WPA

SEARCHED INDEXED
SERIALIZED FILED
OCT 17 1961
FBI - NEW YORK

134-91A-1204

SAC, New York (100-134637)

October 17, 1961

Director, FBI (100-438091)

HOLD
INTERNAL SECURITY - C

Re Bureau airtel to New York and Chicago
10/9/61 setting out that NY 694-S* and CG 5824-S* are
not to travel to Canada under any circumstances without
prior approval of the Bureau.

NY 694-S* should be promptly advised that it
is extremely undesirable for him to travel to Canada
under any conditions in the future. The informant should
exercise every initiative in order to avoid any assign-
ments from Communist Party (CP) functionaries which
would make it necessary for him to travel to Canada.
Plausible reasons should be given to CP functionaries
when request for such travel is made in order to com-
pletely avoid such travel if at all possible.

Chicago is to follow the above instructions
in connection with the travel of CG 5824-S* to Canada.

- 1 - New York (NY 694-S*)
1 - Chicago (134-46-Sub B)
(1 - CG 5824-S*)

Adm

134-71A-1205

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 18 1961	
FBI - NEW YORK	

DIRECTOR, FBI (100-340711)

10/20/61

SAC, NEW YORK (134-91A)

NY 694-S*
CG 5824-S*

Remylet, 4/13/61.

The financial statements for the cover company for the period 4/1/61 through 9/30/61, are submitted. The statements include a Profit and Loss Statement, a Balance Sheet and schedules giving the details of expenses.

It should be noted that the cash balance as of 9/30/61, should be \$780.03 although NY 694-S* had stated that it was only \$315.44. Informant advised that he believes that this shortage resulted from an error in bookkeeping on the part of his Chicago office. Informant stated that he further believed that he would be able to clarify this shortage after receiving additional information from Chicago. The NYO will follow this and keep the Bureau advised.

The Profit and Loss Statement reflects a gross profit of \$425.11 and a net loss of \$3,895.28 for the nine months period ending 9/30/61. The merchandise inventory is computed at cost. Payment of \$2,000.00 to the informant on 6/14/61, has increased loans payable from \$7,500.00 to \$9,500.00, which represents the money advanced by the Bureau since 1960.

The next report will be submitted on or about 1/15/62.

NY 694-S* continues to spend approximately two hours per day on cover company operations without interfering with his efforts on behalf of the Bureau.

3-Bureau (100-340711) (RM)
(1-61-7665)

2-Chicago [REDACTED] (RM)
(1-134-46)

1-NY 66-6969 (ADM.) (41)
1-NY 134-91A (ADM.) (41)

ACB/PJS/lmc
(8)

(1-WTM)

134-91A-1206

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
OCT 20 1961	
FBI - NEW YORK	
[Redacted]	lmc

NY 134-91A

Profit and Loss Statement
for Period 1/1/61 to 9/30/61

Sales	\$ 711.22
Less: Returns	<u>67.72</u>
Net Sales	\$ 643.47
Cost of Goods Sold:	
Inventory 1/1/61	\$ 317.82
Purchases	195.62
Goods Available for Sale	\$ 513.44
Less: Inventory 9/30/61	<u>295.08</u>
Cost of Goods Sold	
Gross Profit	\$ 218.36
<u>Less: Expenses</u>	<u>25.11</u>
Depreciation Expense	\$ 31.74
Office Supplies	104.48
Freight & Postage - Sales	93.44
Freight & Postage - Purchases	6.14
Advertising	1,722.28
Sales Promotion	98.67
Salaries - Chicago	1,125.00
Rent - Chicago	747.99
Phones - Chicago	331.09
State Taxes	69.56
Total Expenses	\$ 320.30
Net Loss	<u>\$ 395.28</u>

NY 134-91A

Balance Sheet
as of September 30, 1961

ASSETS

Cash	\$ 780.03
Merchandise Inventory	295.06
Furniture & Fixture Depreciated	349.34
Accounts Receivable	<u>79.34</u>
Total Assets -	<u>\$1,503.69</u>

LIABILITIES

Loans Payable	\$ 9,500.00
---------------	-------------

CAPITAL

Capital - 1/1/61	\$-4,101.03
Loss - 1/1/61 to 9/30/61	-3,895.28
Deficit - 9/30/61	<u>\$-7,996.31</u>
Total Liabilities & Capital	<u>\$ 1,503.69</u>

Cash Statement
September 30, 1961

Cash Balance 1/1/61	\$ 48.99
Sales	\$ 711.22
Accounts Receivable Paid	54.54
Less: Returns	<u>67.75</u>
Accounts Receivable	116.96
Cash Received	<u>186.73</u>
Total Cash Available	579.03
Less: Expenses	<u>4,200.00</u>
Office Supplies	104.48
Freight & Postage - Sales	93.44
Purchases	59.34
Freight & Postage - Purchases	6.14
Advertising	1,722.28
Sales Promotion	68.67
Salaries - Chicago	1,125.00
Rent - Chicago	747.99
Phones - Chicago	331.09
State Taxes	69.56
Total Expenses	<u>4,387.29</u>
Cash Balance 9/30/61	<u>780.03</u>

NY 134-91A

Merchandise Inventory

26 #713 Drawing Stands @ \$3.57	\$ 92.82
24 #714 Drawing Stands @ \$6.72	161.28
2 #6090 Safe Lock Tripods @ \$11.01	22.02
1 #203 Project-O-Stands @ \$15.96	15.96
Total	<u>\$321.00</u>

Detail of Expenses - 4/1/61 to 9/30/61

Office Supplies:

April	\$ 32.35
May	18.45
June	17.74
July	4.88
August	11.49
September	5.25
	<u>\$ 90.16</u>

Freight & Postage - Sales

April	\$ 25.29
May	20.15
June	5.70
July	6.69
August	7.92
September	13.14
	<u>\$ 72.12</u>

Advertising

American Artist - March	\$200.00
American Artist - April	200.00
American Artist - May	200.00
American Artist - June	200.00
American Artist - July-August	200.00
Thomas Jefferson H.S. (March)	17.50
1 Sunday for High School ads	4.50
12 Mats for plastic plates - High School ads	12.75
superior High School-Superior, Wisconsin-10"	17.50
Council Bluffs High School-10" ad-April	12.50
Omaha High School-10"-April	15.00
	<u>\$1,079.75</u>

NY 134-91A

State Taxes

New York City Gross Sales Tax-April	\$ 59.71
New York State Business Tax-April	2.00
Illinois State Sales Tax:	
April	.90
May	.45
June	1.35
July	3.35
August	.90
September	.90
	<u>7.85</u>
	<u>369.50</u>

Purchases

March 9 - 3 #713 Drawing Stands @ \$3.57	\$ 10.71
July 19 - 3 #713 Drawing Stands @ \$3.57	10.71
September 11 - 2 #203 Project-O-Stands @ \$18.95	37.90
	<u>59.54</u>

Freight & Postage - Purchases

March 9	\$ 1.16
July 19	1.16
September 11	3.82
	<u>6.14</u>

NY 134-91A

Sales Promotion

April 10 - Milwaukee Art Club mailings	\$ 7.30	
17 - Chicago Art Club mailing	4.16	
19 - Michigan High School mailing	3.00	\$14.46
May 5 - 500 Memo letters - Project-O-Stand 500 Envelopes	\$17.50 6.03	23.33
June 1 - Brochure mailing - Connecticut	3.80	
August 18 - Brochure mailing - Ohio & Illinois Art Clubs	9.60	
September 20 - Sales letter introducing new tripod model-Chicago Commerce Club	11.00	
	<u>\$62.19</u>	

Salaries - Chicago

- April	\$125.00	b6
May	125.00	b7C
June	125.00	
July	125.00	
August	125.00	
September	125.00	
	<u>\$750.00</u>	

Rent - Chicago

April	\$ 83.11	
May	83.11	
June	83.11	
July	83.11	
August	83.11	
September	83.11	
	<u>\$498.66</u>	

Phones - Chicago

	<u>Answering Service</u>	<u>Telephone Company</u>	
April	\$12.65	\$18.35	
May	13.90	18.75	
June	12.35	27.50	
July	13.50	27.90	
August	13.70	19.60	
September	12.75	20.40	
	<u>\$139.15</u>	<u>\$132.50</u>	<u>\$211.76</u>

DIRECTOR, FBI {100-340/11)
(61-7665)
Att.: Mr. F. J. Baumgardner
SAC, NEW YORK {134-91A)
(66-6989)

10/24/61

NY 694-S*
CG 6324-S*

ReNYlet 10/6/61, concerning contacts with NY 694-S*.

In order to further clarify meeting places with reference to the informant, it has been the practice of the NYO that when it is necessary to meet the informant in order to have a discussion with him, these meetings have taken place at [redacted] apartment located on the [redacted]

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b7c

[redacted] The details concerning this meeting place are set out in reflet. This has proven to be a very secure location and it is felt should continue. Where special occasions arise requiring more than the contacting agent to participate in the discussion, a hotel room is rented, also under most secure conditions. Examples of these hotels would be the Dryden East and the Statler Hilton. It has been possible to make these arrangements through excellent contacts of the NYO. With reference to the passing of recorded information from or to the informant, this is handled as follows:

A phone call is made and it is agreed between the contacting agent and the informant as to the general area where the contact will be made, such as Grand Central Station, a subway station, the Flatiron Building, the New York Life Insurance Building, the Corn Exchange Bank, etc. The agent then makes sure that he is in the vicinity of that location prior to the arrival of NY 694-S*. When the informant arrives, he spots the agent and he continues on his way to what he considers a secure location, such as a phone booth, a men's room, a lunch room counter, etc. Once it is decided that full security exists at this point there is an inter-change of the written documents. Prior to the time that the meet is made the informant and the agent assure themselves that they are not being surveilled. After the meet is made, again assurances are made that there is no surveillance.

4 - BUREAU (RM)
2 - NEW YORK (134-91A) (#41)
(1 - 66-6989) (#41)

WTM:DJG

(6)

Searched _____
Serialized n
Indexed _____
Filed n

com

134-91A-1207

Letter to Director
NY 134-91A & 66-6989

With reference to the home telephone of SA ALEXANDER C. BURLINSON, to which the informant has occasion to make calls, we are at the present time in the process of checking the line for security and the absence of any technical coverage. This should be completed by Wednesday, October 25, 1961. In addition, this check will be set up on a quarterly tickler to be handled at the same time that the informant's office phone is checked.

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, NEW YORK (134-91)

DATE: 10/19/61

FROM : ASAC NORMAN H. McCABE, DIVISION IV

SUBJECT: NY 694-S*

With reference to the letters received from the Bureau concerning the Canadian trip made by NY 694-S*, I talked to Inspector J. A. SIZOO of the Bureau on 10/19/61 who stated that [redacted] practically say that they have made our informant. We have denied to them that NY 694-S* is our informant. In view of this, the Bureau prefers that NY 694-S* not go to Canada at any time in the near future. The Bureau would like NY 694-S* to figure out reasons why he should not go to Canada in the event he is asked to do so. Perhaps this would be because of his health or possibly some other reason that he can think of. I pointed out to Mr. SIZOO that if NY 694-S* was instructed to go to Canada specifically by HALL, he would almost have to make the trip. Mr. SIZOO stated that the Bureau is not saying that NY 694-S* cannot at any time in the future go to Canada, and a situation may develop where the Bureau would have no alternative but to let him go up there. However, in view of the developments with [redacted] the Bureau desires that NY 694-S* be thinking about this matter and trying to determine logical reasons why he should not make a trip to Canada at any time in the near future.

NHM:MEW
134-91
(2) (1 - ASAC N. H. McCABE)

b7D

134-134-1208

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
OCT 19 1961	
FBI - NEW YORK	

[Handwritten signatures and initials over the stamp]

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, New York (134-91A)
(66-6989)

✓FROM : Director, FBI (100-340711)
(61-7665)

SUBJECT: NY 694-S
CG 5824-S

DATE: October 26, 1961

JMK

SAC
DIV. 1
DIV. 2
DIV. 3
DIV. 4
SEC.
SEC.

Wm ✓ 41

ReCGlet 10-4-61 entitled "Solo, IS-C," and New York letter 10-6-61, above captioned, setting forth information concerning the handling of these informants.

Both offices should continue to closely follow each aspect of the operation of these informants to be certain full security is maintained. All personnel involved in this matter should be constantly alert to obtain the maximum benefit from these sources and whenever necessary be ready to consider any modifications or changes in their handling to further improve the quality of this coverage.

Previous instructions require the submission of a report on a quarterly basis by the 15th of January, April, July and October of each year on the cover company being utilized by the informants and financed by the Bureau. In this report the Bureau is advised of the amount of time being spent by each informant in the conduct of the business and observations are also included as to whether the time being spent is necessary and if the activity of the informants in the cover business is interfering in any way with their Bureau work. Both offices should continue to submit this information.

In order that the Bureau will be currently informed of the other aspects of this operation, both offices should also include in the quarterly letter information regarding the manner in which personal and telephonic contacts are made with each informant and what arrangements have been made to pass documentary information which may not require a personal contact. Data should also be set forth concerning the maintenance of security at the cover office in New York and Chicago and comments included as to any possible modifications if such changes are deemed necessary. The frequency of technical or other checks which are made should also be included in this communication.

2 - Chicago [redacted] (134-46)

134-91A-1209

SEARCHED	INDEXED
SERIALIZED <i>JMK</i>	FILED <i>JK</i>
OCT 26 1961	
FBI - NEW YORK	
<i>Burke</i> <i>JK</i>	
[redacted]	[redacted]

b6
b7C
b7D

Letter to New York
RE: NY 694-S
CG 5824-S
100-340711
61-7665

With regard to the observations in relet of Chicago previous instructions should be followed concerning the use of cautionary statements whenever such are necessary and should not be routinely applied without full consideration as to the need therefor. Also, the information developed by these informants is still to be considered as investigative fact and set forth in reports as in the past. No change is being considered at this time with regard to handling payments to the informants.

UNITED STATES GOVERNMENT

11/9

Memorandum

TO : SAC, New York (134-91A)
(66-6989)

✓ FROM : Director, FBI (100-340711)
(61-7665)

SUBJECT: NY 694-S*
CG 5824-S*

DATE: October 27, 1961

— SAC
— ASAC 1
— ASAC 2
— ASAC 3
— ASAC 4

— SEC 11 b7D

— SEC 12

— SEC 13

— SEC 14

— SEC 21

— SEC 22

— SEC 23

— SEC 24

— SEC 31

— SEC 33

— SEC 34 b7D

— SEC 35

— SEC 41

— SEC 42

— SEC 43

Enclosed herewith for New York and Chicago is one Photostat each of a ~~"Top Secret"~~ memorandum of the [redacted] captioned "Communist Party of Canada 'Underground' Organization."

Particular attention is directed to page two of the enclosure concerning the telephone call of Elizabeth (Bess) Mascolo. Both New York and Chicago should thoroughly review this matter as this information indicates the extent of coverage [redacted] has concerning Canadians who are in contact with NY 694-S* and CG 5824-S*. It is obvious that any indiscreet remarks by NY 694-S* and CG 5824-S* that later are obtained by [redacted] would be highly undesirable.

New York is instructed to caution NY 694-S* to exercise utmost discretion in all future contacts with Canadians.

Chicago is to follow the same instructions relative to CG 5824-S* as soon as CG 5824-S* is available.

Enclosure

3 - Chicago [redacted]

(134-46)

b7D

134-91A-1211

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 3 1961	
FBI - NEW YORK	

Burleson A.C.B.

CITY New YorkDATE 10-31-61

Request of Special Agent in Charge, FBI,

One Hundred dollars, and 00 cents,(\$ 100 ⁰⁰), which money is to be paid by me on 11/2/61
Special Agent in Charge of A-S Teller and H-S Holde
to A.Y.G. (SAC) at First Industrial Savings Bank, N.Y.C.for information concerning the case entitled CP 25A - 15-C (100-4931)By letter dated 1-26-56 the Bureau authorized the N.Y.C.
to deposit \$100 per month in the fund for the benefit of the
informant, the total to be paid to him upon termination of
this service.Signed: Alexander C. Burlinson
Special AgentAuthority (date) Bullet 1-26-56Period Covered by Payment 10/1-31/61Authorization Checked YesCheck Number 2188 11/1/61Receipts Received 11/2/61Prepared 11/15/61 Item 9b6
b7c

Approved:

Informant's File No. 134-91A-1212Date of Actual Payment 11/2/61 By Whom A. C. BurlinsonSer 1 8
Indexed 1
Filed 1

CITY New YorkDATE 10-31-61Request of Special Agent in Charge, FBI, New YorkOne Thousand Two Hundred Sixty dollars, and — cents,(\$ 1270⁰⁰), which money is to be paid by me on 11/1/61to NY 694-5for information concerning the case entitled CP 250 - 15-c (100-4931)Signed: Alexander C. Burleson

Special Agent

My Let 9/1/61 Drawn April 9/15/61

Authority (date) 10/1-31/61 Service: \$100⁰⁰Period Covered by Payment 11/1-30/61 Cover to Office 170⁰⁰

Activity
 Informant continues to furnish
 on a daily basis information
 concerning top CP 250 a
 leadership activities and CP 250
 funds.

Authorization Checked ✓ Yes
 Check Number 2787 Date 11/1/61
 Receipts Received 11/1/61
 Voucher Prepared 11/8/61 Item 35

Approved: John W. McNamee b6
b7cSAC Informant's File No. 134-91A-1213Date of Actual Payment 11/1/61 By Whom A. C. Burleson
 Searcher J _____
 Ser. No. J _____
 I.D. No. J _____
 Filed J _____

CITY New YorkDATE 11-1-61Request of Special Agent in Charge, FBI, New YorkOne Thousand Five Hundred dollars, and — cents,(\$ 1500⁰⁰), which money is to be paid by me on 11/1/61to NY 694-5for information concerning the case entitled CPN 8a - 15-C (100-4931)NY 694-5 has requested \$1500.00 for payment of case
company expenses, including running expense of the Chicago
branch of the case companySigned: Alynda L. Burliava
Special AgentAuthority (date) Bullet 1-30-61Period Covered by Payment 11/1/61 - 12/31/61Bullet 1-30-61 authorized
expenditure of \$411.32 as
budget of case company for year
1961. There have been two
previous payments during 1961,
amounting to \$45.00.Authorization Checked YesCheck Number 2789 8/1/61Receipts Received 11/1/61Voucher Prepared 11/8/61 Item 34b6
b7c

Approved:

G. W. McRae
SACInformant's File No. 134-91A-1044Date of Actual Payment 11/1/61 By Whom A. C. BurliavaSearched _____
Serialized _____
Indexed _____
Filed _____

DIRECTOR, FBI (100-415964)

11/6/61

SAC, NEW YORK [redacted] P.

b7D

[redacted]

ReNYlet to Bureau, 10/3/61.

Progress, Development and Contacts

Regular contact with the informant has been maintained during the past month.

On 11/1/61, NY 694-S* advised that on the day previous, 10/31/61, GUS HALL, in referring to [redacted] again mentioned that he had been very impressed by [redacted] answers to the economic-financial questions presented to [redacted] by HALL, and that as soon as time permitted, HALL would prepare, or have prepared, another set for presentation to [redacted]

b7D

NY 694-S* further advised on 11/1 and 2/61 that as soon as possible NY 694-S* would, with HALL's concurrence, aid and probable accompaniment, arrange a meeting between HALL, JACOB BUDISH and [redacted]

On 11/1/61, NY 694-S* advised that HALL on 10/31/61 had instructed NY 694-S* to locate a suitable private storeroom for storage of valuable and incriminating CP records, presently located in various places throughout the country. In particular, HALL cited records held in the possession of [redacted] and CP National Control Commission records formerly held by [redacted]

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Consideration was given to the utilization of [redacted] New York, as a possible storage place.

134-9117-1215
P

b7D

2 - BUREAU (100-415964) (RM)
1 - NY 134-91 (ADM) (41)
1 - [redacted] (ADM) (41)

RJQ:msb
(4)

Low

[redacted] b7D

On 11/6/61, NY 694-S* advised that on 11/5/61 such a solution was presented to HALL, who dismissed the suggestion because he considered the farm to be too far from New York City, which would render the records too inaccessible for adequate review by appropriate personnel. HALL at that time stated that he was not dismissing the idea because of any dissatisfaction with [redacted] but only because of possible difficult accessibility.

NY 694-S*, on 11/1 and 2/61, mentioned again that he was hopeful that the Soviet interest in [redacted] enhanced by NY 694-S* during his last trip to Moscow and further aroused by NY 694-S*'s contact with VLADIMIR BARKOVSKY in New York City upon his return (cf. NY letter to Bureau 9/5/61), would result in Soviet contact with [redacted] in the near future.

b7D

It is noted that the past month has been a particularly busy one for the CP officials in New York City--the CP's 22nd Congress was in session in Moscow--and logical possibilities for arranging meetings between [redacted] and CP officials were thereby complicated.

b7D

The NYO, in its direction of [redacted] has sought to keep him apart from the usual stream of less important contacts of the CPUSA and to maintain and further his position as a top level valuable CP contact and source of economic-financial information.

Such direction necessarily limits the means which can be employed in activating [redacted] and, depending on attendant circumstances, can even slow down his day-to-day development--pertinent officials being busy on more important tasks, etc.

b7D

However, following that course of action assures that [redacted] CP contacts will continue to be only with top level

[redacted] b67D

CP officials. Further, any lower level development would probably be unpalatable to an individual such as [redacted] and could ultimately cause him to lose interest in his own development.

Also, it has been felt that any arrangement for contact with lesser CP personalities, although it would "develop" [redacted] in addition to lessening his value in the eyes of the CPUSA leadership, would also tend to lessen his value in the yes of the CPSU.

b67D

The NYO therefore will continue in its slow, deliberate development of [redacted] will take advantage of every available opportunity, and will keep the Bureau advised as directed.

UNITED STATES GOVERNMENT

Memorandum

TO : SAC New York (134-91A)

FROM : SA A.C. Bushman

SUBJECT: NY 694-5

DATE: 11-22-61

CI SI

PCI PSI

Dates of Contact	11-22-61	100-142782	100-146697
Titles and File #s on which contacted			
105-33732		100-89513	100-8023
100-145289			100-136641
100-145913		100-190501	100-146361
100-146246		100-52006	100-146362
100-146760			100-146145
100-146248		100-100628	100-146134
Purpose and results of contact			100-146135
<input checked="" type="checkbox"/> Negative	100-95034		
<input type="checkbox"/> Positive	100-146177	100-196708	100-196632
	100-11324	100-58535	100-146631
		100-87995	100-145960
		100-146584	100-146119
		100-50820	100-49628
		100-145629	140-12206
		100-146729	100-146271
		100-97434	100-146151
		100-146611	100-143563
		100-146620	
		100-131857	
		100-50611	

Security Informant certified that he had furnished all information obtained by him since last contact.

Personal Data	Rating	Excellent
	Coverage	CP 25A.

1 - _____
1 - _____

Chief Clerk
Post L.W.M.

SEARCHED	INDEXED
SERIALIZED	FILED
NOV 22 1961	
FBI - NEW YORK	

134-91A - 1216

SAC (100-80641)

12/1/61

SUP. [redacted]

#41

CPUSA - ORGANIZATION
IS-C

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b7c

On 11/30/61, I telephonically communicated with Mr. JAMES F. BLAND of the Bureau and referred to the Bureau being previously advised concerning the obtaining by NY 694-S* of records in the possession of [redacted] and others, which are CP records. I informed Mr. Bland that NY 694-S* has advised that GUS HALL is dissatisfied with the present location of these records and feels that they should be in a location under CP control. HALL suggested a basement in the building wherein EMMANUEL KOLKO maintains his business. NY 694-S* advised that in his opinion we should go ahead and try to rent another room for the purpose of temporarily storing these records. He stated that he feels he will be able to convince HALL that in view of the poor lighting conditions in the suggested space in KOLKO's building, it would be preferable to have them locate it temporarily in another room wherein the lighting facilities would be better. He further stated that he cannot get the CP to pay for this space and requested that the Bureau pay the rental.

(Room 2218) I advised Mr. Bland that it appears we can obtain a room located at 401 Broadway and that this room will cost \$52.50. Further in view of the situation, it looks like we have no alternative but to go ahead with the payment. I advised that it would appear to me that we would not have to rent this space for too many months. Mr. Bland stated that he would check into it and call back.

On the afternoon of 11/30/61, Mr. Bland advised ASAC McCABE that the expenditure has been approved by the Bureau and that we should let the Bureau known when it is no longer productive in order to discontinue the room.

① 134-914(NY 694-S*)

WTM:DJG

134-914-1217

SEARCHED	INDEXED
SERIALIZED	FILED
NOV 30 1961	
FBI - NEW YORK	

Bushman ACR

DECODED COPY

 Radio TeletypeURGENT ~~XXXXXX~~ 12/4/61

TO DIRECTOR AND SAC NEW YORK (1)

SAC NEW YORK VIA WASHINGTON

FROM SAC CHICAGO

CG FIVE EIGHT TWO FOUR - S ASTERISK; NY SIX NINE FOUR - S ASTERISK.

DURING AM, SUNDAY DECEMBER THREE, LAST, FATHER, JOSEPH, OF NY SIX
NINE FOUR DASH S ASTERISK AND CG FIVE EIGHT TWO FOUR - S ASTERISK
PASSED AWAY IN CHICAGO. NY SIX NINE FOUR - S ASTERISK ARRIVEDCHICAGO PM DECEMBER THREE, LAST AND WILL MEET WITH AGENTS OF CHICAGO
OFFICE THIS DATE. FUNERAL SET FOR TUESDAY, DECEMBER FIVE, NEXT.SUBBEST THAT DIRECTOR MAY DESIRE TO SUBMIT SEPARATE LETTERS OF
CONDOLENCE TO NY SIX NINE FOUR - S ASTERISK AND CG FIVE EIGHT TWO FOUR -
S ASTERISK. LETTERS TO BE SHOWN RESPECTIVE INFORMANTS BUT WILL BE
RETAINED IN CHICAGO OFFICE.

WA # 1 NY JLW

DEC 1:35 PM JLW

134-91A-1218

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 1 1961	
FBI - NEW YORK	

Burkeon [Signature] A.C.B.

F B I

Date: 12/4/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL REGISTERED MAIL, AMSD
(Priority or Method of Mailing)

TO : SAC, NEW YORK (134-91)

FROM: SAC, CHICAGO

NY 694-S*

NY 694-S* telephonically advised SA RICHARD W. HANSEN at noon, 12/4/61, that he had made return reservations for NYC as follows: Depart O'Hare Field, Chicago, via United Airlines Flight 608, 7:15 p.m. (CST), 12/5/61 and scheduled to arrive NYC 10:15 p.m. (EST). If travel plans for return to NY are modified by NY 694-S*, NY will be notified by teletype.

GALE

②-New York (RM) (AMSD)
1-Chicago

RWH:MDW
(3)

*Adm**C*

134-91-A-1219

SEARCHED	INDEXED
SERIALIZED	FILED
403	DEC 6 1961
FBI - NEW YORK	

D. Burdick *ACB*

Approved: *JG/f* Sent _____ M Per _____
Special Agent in Charge

b7D

60

12/18

December 4, 1961

Mr. Jack Childs
38-70 48th Street
Sunnyside
New York, New York

Dear Mr. Childs:

It was with regret that my associates and I learned of the passing of your father. Although words are most inadequate at a time such as this, we do want you to know that the thoughts of your many friends are with you. All of us sincerely appreciate the excellent work you are doing, and we hope you will continue to serve the Nation with the excellence which has characterized your career.

Please feel free to call on my associates or me if we can be of any assistance.

Sincerely yours,

J. Edgar Hoover

1 - Chicago
Reurad 12-4-61
(1) - New York

134-91A-1220

1 1

Wm

Burkeon 12/18

J
SAC
ASAC 1
ASAC 2
S
SAC 4
SAC 11
12-4-61

airtel

To: SAC, Chicago
From: Director, FBI
NY 694-S
CG 5824-S

PERSONAL ATTENTION

Wm H. [Signature]
12-4-61
SLC 48

Re ur rerad 12-4-61. Enclosed are letters of condolence.
The original of each letter should be shown to respective informants and
the letters should then be retained in your possession.

Enclosures (2)

① - New York - Enclosure

134-91A-1220a

P P
Burman QCB

CITY New YorkDATE 11-30-61Request of Special Agent in Charge, FBI, New YorkOne Hundred dollars, and — cents,(\$ 100⁰⁰), which money is to be paid by me on 12/5/61
to my account in name of R. S. Frater and
to NY 694-5 P.R.C. McClellan's Industrial Savings Bank, N.Y.C.for information concerning the case entitled CPUSA - 15-C (100-4931)By letter dated 1-26-56 the Bureau authorized the NYO to
deposit \$100⁰⁰ per month in the bank for the benefit of the
informant, the total to be paid to him upon termination of his
services.Signed: Alexander C. Burlinson
Special AgentAuthority (date) Bulet 1-26-56Period Covered by Payment 11/1-30/61Authorization Checked 12/5/61Check Number 3101-121161Receipts Received 12/5/61Voucher Prepared 12/1/61 Item 16b6
b7cApproved [Signature] Informant's File No. 134-91A-4221Date of Actual Payment 12/5/61 By Whom A. C. BurlinsonSearched /
Serialized /
Indexed /
Filed /

12/11

DECODED COPY Radio Teletype

URGENT 12/7/61 6:25 PM EAM

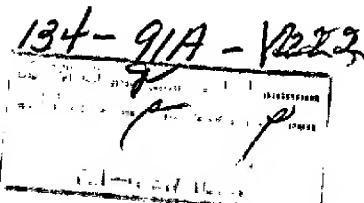
TO SAC, NEW YORK
FROM SAC, CHICAGO

NY SIX NINE FOUR - S*. NY SIX NINE FOUR - S* ADVISED THIS DATE WILL DEPART O-HARE FIELD, CHICAGO, SIX PM VIA UNITED AIRLINES FLIGHT EIGHT THREE EIGHT SCHEDULED TO ARRIVE IDLEWILD, NEW YORK, EIGHT FIFTY FIVE PM. NY SIX NINE FOUR - S* WILL CONTACT NYO AM OF DEC, EIGHT NEXT.

OK FBI NY JFA

TU DISC

DEC: 8:35 EST JFA

Adm

UNITED STATES GOVERNMENT

Memorandum

TO : SAC New York (134-91A)

FROM : SA A. B. Bushman

SUBJECT: 27694.5

DATE: 12-8-61

CI SI
 PCI PSI

Dates of Contact: 12-8-61

Titles and File #s on which contacted

Purpose and results of contact

Negative
 Positive

100-142991

Security Informant certified that he had furnished all information obtained by him since last contact.

Personal Data	Rating <i>Gallant</i>
	Coverage <i>CP 25 C</i>

1 - _____

1 - _____

SEARCHED	INDEXED
SERIALIZED	FILED
FBI - NEW YORK	

134-91A-1224

CITY New YorkDATE 11-30-61Request of Special Agent in Charge, FBI, New YorkOne Thousand Two Hundred Sixty dollars, and — cents,(\$ 1270⁰⁰), which money is to be paid by me on 12/8/61to NY 694-Sfor information concerning the case entitled CPUSA - 15-c (100-4931)Signed: Alexander C. Burlinson
Special AgentAuthority (date) NY Letter 9/11/61 - Bureau approval 9/15/6111/1-30/61 Service \$100⁰⁰Period Covered by Payment 12/1-31/61 Cover Co Office \$70⁰⁰

Informant continues to furnish
 on a daily basis information Authorization Checked Yes.
 concerning top CPUSA leadership Check Number 3100 - 12/1/61
 activities and CPUSA funds. Receipts Received 12/8/61

Voucher Prepared 12/12/61 Item 34Approved: OVERSIGHTASACInformant's File No. 134-91A-1225Date of Actual Payment 12/8/61 By Whom Al Burlinson
 Searched
 Serialized
 Indexed
 Filed
b6
b7c

CITY New YorkDATE 12-4-61Request of Special Agent in Charge, FBI, New YorkOne Hundred Five dollars, and — cents,(\$ 105⁰⁰), which money is to be paid by me on 12/8/61to NY 694-5for information concerning the case entitled CP 252-100-4931

Payment is to reimburse informant for expenditure of \$2⁵⁰ on a deposit on, and \$2⁰⁰ for monthly rental of, storage space at 401 Broadway (room 2212) for CP 252-100-4931.

Signed: Alemba C. Burlinson
Special AgentAuthority (date) 11-30-61 (Telephone call from Inspector James Blund) ASAC McCabe, NY 6Period Covered by Payment 12/1-31/61Authorization Checked yesCheck Number 3216-12/11/61Receipts Received 12/8/61Voucher Prepared 12/19/61 Item 31b6
b7cApproved J.M. Murphy Informant's File No. 134-91A

ASAC

Date of Actual Payment 12/8/61 By Whom A.C. BurlinsonSearched yesSerialized yesIndexed yesFiled yes

134-91A-1226

DIRECTOR, FBI (100-415964)

12/7/61

SAC, NEW YORK [redacted] P.

b7D

[redacted]

RE NY let to Bureau, 11/6/61.

Progress, Development and Contacts

Regular contact with the informant has been maintained during the past month.

During a contact on 11/29/61, [redacted] advised that he had contacted NY 694-S* the day previous and tentative plans have been made by those two individuals for a meeting in the near future with a third person described by NY 694-S* as an "economist."

b7D

According to [redacted] NY 694-S* apologized for not having contacted [redacted] sooner and advised that he had been 'extremely busy' on important matters - the 22nd Conference of the Communist Party in Moscow and the Supreme Court matters involving the CP in the United States. However, NY 694-S* advised [redacted] that he hoped to arrange for a meeting between [redacted] and an important "economist" as soon as possible and would contact [redacted] with the details.

b7D

[redacted] told NY 694-S* that he would remain available for such a meeting whenever NY 694-S* could make some specific plans.

b7D

The matter will be closely followed and the Bureau advised.

2 - Bureau (100-415964) (RM)
1 - NY 134-91 (ADM) (41)
1 - [redacted] (ADM) (41)

13-1-10-1227
13-1-10-1227

b7D

RJQ:mm1
(4)

7

Wm

12/8/61

12/8/61

AIRTEL

REGISTERED MAIL

TO : DIRECTOR, FBI
FROM: SAC, CHICAGO (134-46)
CG 5824-S*
NY 694-S*

reBuairtel 12/6/61, transmitting condolence letters
for both of the captioned informants.

On 12/7/61 I personally conveyed condolence letters
of the Director to both CG 5824-S* and NY 694-S* who at that
time was in Chicago.

Both of these informants were sincerely moved by
the Director's expressions of condolence and requested me to
convey their great appreciation for his consideration of
their personal problems. Both informants again pledged their
full cooperation in assisting the Bureau and the Government in
these grave times involving national security.

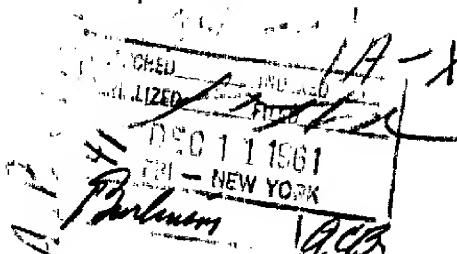
Both of these letters were returned to me and I am
forwarding the letter addressed to NY 694-S* to New York for
placement in his file. The Chicago letter has been placed
in the file of CG 5824-S*.

GALE

4 - Bureau (RM)
1 - New York (Encl. 1) (134-91)(RM)
1 - Chicago

Adm

CWF:mec
(6)



Letter placed in
SAC's safe

A.C.B.

12/11/61

12

DIRECTOR, FBI (100-415964)

12/22/61

SAC, NEW YORK [redacted] (P)

b7D

[redacted]
ReNYlet to Bureau, 12/7/61.

On 12/12/61, NY 694-S* advised that in a conference the day previous, 12/11/61, with GUS HALL, NY 694-S* had "complained" to HALL that HALL had never formally thanked [redacted] for the formalized answers [redacted] had prepared for submission to HALL early in the fall.

b7D

HALL apologized for his tardiness, stated that he was certainly grateful for [redacted] help and was very much interested in [redacted] activation into the Party.

NY 694-S* stated to HALL that he felt that some positive action should be taken in the direction of activating [redacted] and suggested the formulation of an "Economic Commission" to be composed initially of GUS HALL, [redacted] and JACOB BUDISH.

HALL indicated that he considered the suggestion an excellent one although he offered no specific steps for its effectuation.

On 12/18/61, NY 694-S* advised that on that date he had conferred with ISADORE WOFSY (a CP Reserve Fund functionary) (NY 100-19679; Bufile 100-27795), and JACOB BUDISH regarding [redacted]

It was agreed that after the first of the year BUDISH and [redacted] should meet at BUDISH's apartment on West 86th Street and discuss economic questions of interest to the CPUSA. BUDISH was warned by NY 694-S* that [redacted] must be kept under cover - that no one not presently aware of the relation of [redacted] to the Party should be furnished any information about [redacted].

b7D

- 2 - Bureau (100-415964) (RM)
1 - NY 134-91 (ADM) (41)
1 - [redacted] (ADM) (41)

RJQ:mml
(4)

134-91A-1229

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FBI - NEW YORK	

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com

[redacted]

It was further agreed, according to NY 694-S*, that BUDISH would prepare in advance certain economic questions to be discussed by him with [redacted]. BUDISH seemed very pleased that the above-described arrangements were being made.

b7D

NY 694-S* agreed to contact [redacted] to advise the latter of the proposed meeting with BUDISH.

The Bureau will be promptly advised of developments in the above matter.

It is expected that a meeting will be arranged for shortly after the New Year's holidays and first week of New Year's business on Wall Street, which, if not allowed for, could adversely affect [redacted] ready availability.

b7D

DIRECTOR, FBI {100-340711)
(61-7665)

12/29/61

SAC, NEW YORK {134-91A)
(61-6969)

NY 694-S*
CG 5824-S*

With regard to the operation of the cover company in 1962, NY 694-S*, has suggested several changes. To make the operation more "visibly realistic" and, therefore, more secure, he proposes that a new product - ladies' special walking shoes such as are worn by waitresses, nurses, and other employees of hospitals and laboratories - be added to the present items sold by the cover company by mail order. Since BEN CHILDS is an experienced shoe salesman, familiar with all aspects of the shoe business, NY 694-S* feels that such a business could be operated to advantage, giving the cover company more stability, making it a more realistic operation in the eyes of CP functionaries, and possibly making a profit.

The informant further proposes to spend no more than \$450.00 in the advertising and promotion of the drawing and projector stands, and to concentrate on the advertising and promotion of the new shoe item.

According to NY 694-S*, he has given considerable thought to this new proposal and has investigated the matter of a franchise, which he feels certain he can obtain. Should the Bureau approve the informant's proposal, he suggests that the name of the Chicago Office of the cover company be "Arisco Sales" and that the New York Office continue to be known as "Arisco Associates."

4-Bureau (100-340711) (RM)
(2-61-7665)

b7D

2-Chicago [REDACTED] (RM)
(1-134-46)

1-NY 66-6969 (ADM.) (41)
1-NY 134-91A (ADM.) (41)

qep/ACB:jmc
(U)

134-912-1230

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
DEC 19 1961	
FBI - NEW YORK	

982

NY 134-91A

The proposed 1962 budget is as follows:

Advertising

Direct mail order advertising for 12 months
of drawing and projector stands in school
and high school papers and magazines - \$ 250.00

Retail sales promotion of drawing and projector
stands by means of brochures, sales letters,
etc. - 200.00

Purchase of initial shoe stock - 1,000.00

Direct mail order advertising for 12 months of
womens' shoes in professional magazines and
papers - 2,600.00

Retail sales promotion of womens' shoes by means
of brochures, sales letters, counter displays,
etc. - 1,500.00

Salary

To [redacted] \$125.00 per month for 1962 - \$1,500.00

b6
b7c

Rent of Chicago Office

At rate of \$83.11 per month - \$ 997.32

Telephone Service for Chicago Office

At rate of \$25.00 per month \$ 300.00

Answering Telephone service for Chicago Office
at rate of \$18.75 per month 225.00

NY 134-91A

Bookkeeping

Anticipated expenditures to accountants -	\$ 200.00
Miscellaneous expenses of cover company offices - stationery, supplies, etc. -	120.00
	<u>\$8,692.32</u>

Recommendations of NYO

In view of the fact that the sale of shoes, in addition to drawing and projector stands, would offer more realism to the cover company's operations, and consequently to the security of the said operation, and further in view of the possibility of making a profit from the sale of such shoes without materially increasing the cover company budget, the NYO is in favor of the informant's suggestion, and believes that the proposed expenditure for 1962 in connection with the cover company's operation is justifiable.

The NYO also suggests that rather than continue to pay the expenses of the NY office of the cover company pursuant to separate Bureau authorization, the expense of maintaining the said office, which amounts to \$170.00 per month, including rent, maintenance, and telephone service, be incorporated in the annual cover company budget. It is believed that this would be a logical accounting procedure. It is suggested, therefore, that the 1962 proposed budget be \$10,932.32.

The NYO recommends that with the proposed modification, the cover company be continued in 1962 and that the budget as proposed for 1962 be authorized.

NY 694-S* continues to spend approximately two hours per day on cover company business without affecting adversely his activities in behalf of the Bureau.

The next financial report concerning the cover company will be submitted on or before 1/15/62.

UNITED STATES GOVERNMENT

MEMORANDUM

Date: 12/29/61

TO: SAC, NEW YORK (100-86971) (P)
FROM: SA [REDACTED] (#424)
SUBJECT: [REDACTED]
SM-C

b6
b7C

This memorandum is being designated to informants' files in which the informants have previously furnished information concerning the subject. The unavailability of these informants has been made known to the US Coast Guard under instruction from the Bureau.

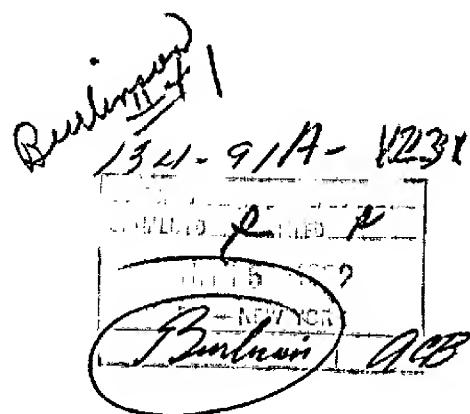
Since the US Coast Guard desires these informants as witnesses, any change in their unavailable status should be made known to the US Coast Guard.

1 - New York [REDACTED] (ADM) (CIFU)
1 - New York [REDACTED] (ADM) (CIFU)
1 - New York (66-6664) (ADM) (CIFU)
1 - New York (62-10256) (ADM) (CIFU)
1 - New York [REDACTED] (ADM) (CIFU)
1 - New York (134-91) (ADM) (CIFU)
1 - New York [REDACTED] (ADM) (CIFU)
1 - New York (100-86971)

b7D

RBH:rc
(17)

fl



CITY New YorkDATE 12-29-61Request of Special Agent in Charge, FBI, New YorkOne Thousand Two Hundred Sixty dollars, and — cents,(\$ 1270⁰⁰), which money is to be paid by me on 1/3/62to N.Y. 694-5for information concerning the case entitled CPNSA - 15-C (100-4931)Signed: Alexander C. Burlinson
Special AgentAuthority (date) Rey letter 9/1/61 - Bureau approval 9/15/61
12/1-31/61 Service \$100.00
Period Covered by Payment 1/1-31/62 N.Y. Court Co office 170.00Informant continues to furnish on Authorization Checked 9/25/61
a daily basis information concerning Check Number 13-12162
top CPNSA leadership activities
and CPNSA funds. Receipts Received 1/3/62
Voucher Prepared 1/8/62 Item 45Approved: WTM/JDM
SUPERVISORDonald E. Roney Jr. Informant's File No. 134-91A-1232
ASACDate of Actual Payment 1/3/62 By Whom AC Burlinson

Searched _____

Serialized P

Ind. x.d. _____

Filed D

CITY New YorkDATE 12-29-61Request of Special Agent in Charge, FBI, New YorkOne Hundred dollars, and — cents,(\$ 100 ^a), which money is to be paid by me on 1/5/62
Special account in name of H. S. Foster and D. E. Roray
to #34694-5 at Bryant Industrial Savings Bank, N.Y.C.for information concerning the case entitled CP 450-15-C (100-4931)By letter dated 1-26-56 the Bureau authorized the NYO to
deposit \$100 per month in the bank for the benefit of the
informant, the total to be paid to him upon termination of
his services.Signed: Alexander C. Burlinson
Special AgentAuthority (date) Bullet 1-26-56Period Covered by Payment 12/1-31/61Authorization Checked copyCheck Number 14-172-62Receipts Received noVoucher Prepared 1/12/62 Item 81Approved: WTM/DRM
SupervisorDonald E. Roray, Jr. Informant's File No. 134-91A-1233
ASACDate of Actual Payment 1/5/62 By Whom A.C. BurlinsonSearched _____
Serialized p _____
Indexed _____
Filed p _____

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 4

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